FINANCIAL TIMES

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WORLD NEWS

Education system 'may need change'

The Government might be forced to make radical changes to the education system if the problems facing Britain's schools are not solved, Education Minister Chris Patten told the annual conference of the Assistant Masters and Mistresses Association in Cardiff.

He made clear his preference was for maintaining the "partnership" between government, education authorities, parents and teachers' unions. Back Page

Italian wines warning

West German health officials advised against drinking all Italian wines as Italy's poisoned wine scandal deepened. In Switzerland authorities seized 40,000 litres of Italian wine in the southern canton of Ticino. Exports hit, Page 3

TWA denies claims

The US airline TWA defended itself against claims of poor security on Wednesday's flight from Rome to Cairo during which four people died in an explosion. Page 2

Murdoch in union offer

Rupert Murdoch, chairman of News International, offered the company's Grays Inn Road plant to print workers sacked in the Wapping dispute for a new *Labour movement* newspaper. Back Page

Stalin girl bound for UK

The Home Office granted a visa to Olga Peters, the 14-year-old granddaughter of Josef Stalin. She is expected to return to the Quaker School in Saffron Walden, Essex, where she spent 18 months before being taken to the Soviet Union in 1984 by her mother Svetlana Alliluyeva.

More attacks on RUC

Ulster police reported a further 11 attacks on officers' homes as part of a campaign of intimidation by loyalists against the RUC. Page 6

Compensation by rapist

Paul Richards, a 22-year-old electrician jailed for seven years after admitting a rape and burglaries, offered £1,500 at the Old Bailey as compensation. The raped woman will receive £700.

Zambian reshuffle

Zabia's President Kaunda removed his Finance Minister, Luke Mwananshiku, in a Cabinet reshuffle and made changes in other economic portfolios. Page 4

Shake-up for W.Berlin

West Berlin's *Christian* Democrat mayor, Eberhard Diepgen, said he would reshuffle the city government which has been at the centre of a corruption scandal. Page 4

Buhari 'to be freed'

Nigeria's ex-leader General Mohammed Buhari, who is held in *detention, will not be put on* trial and will be released, General Domkat Bali, Defence Minister, told Lagos newspapers.

D'Oyly Carte legacy

Dame Bridget D'Oyly Carte, who died aged 77 in May 1985, left her shares in London's Savoy Hotel — built by her *grandfather — to* the D'Oyly Carte Charitable Trust. Her estate was valued at £5.44m net.

Jockey's joyride

Steve Smith-Eccles, who rides Classified in today's Grand National at Aintree, went to sleep in the back of his Mercedes in Southport and woke up on the M57 to find himself being taken for a joyride by a youth. The driver stopped the car and ran off.

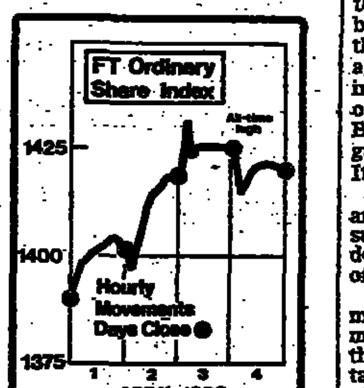
BUSINESS SUMMARY

Hillsdown bids for Berisford

HILLSDOWN HOLDINGS, food processing group, launched a £486m takeover bid for S & W Berisford, the sugar refining and commodity trading group.

Berisford said it was considering the terms of the offer in the light of discussions with other interested parties, including Tate & Lyle, the other main British sugar refiner. Back Page; Analysis, Page 12

LONDON EQUITIES remained in the grip of bid fever. A buying spree for most banking issues was spurred by the announcement of the Lloyds



approach to Standard and Chartered. The FT Ordinary Share Index closed 5 down on the day at 1420.9 and nearly 31 higher over the four-day period. Page 16

TOKYO STOCKS plunged for the fourth day with the Nikkei market average dropping 252.43 to 15,019.81. Page 14

JAPAN and the UK reached a partial settlement of their long-running dispute over reciprocal *banking and securities licences.* Back Page, report and Lex.

NATIONAL AUDIT Office survey suggests that less than half the savings in the running of Government departments proposed by the efficiency unit headed by Lord Rayner up till 1983 are being implemented. Page 6

MOBIL, US oil company, plans to create a R40m (£15m) foundation to fund improvements in black education in South Africa, rural development and assist small businesses, instead of bowing to disinvestment pressure. Page 4

CONTINENTAL ILLINOIS shareholders are to receive $20m (£13.81m) from Mr Roger Anderson, former chief executive, and eight of his colleagues in settlement of a lawsuit over their management of the Chicago bank. Back Page

SINGAPORE released details of a bill going through parliament to combat copyright fraud. Page 2

OLYMPIA & YORK, Canadian property and resources group, increased its offer for the Hiram Walker Resources energy and liquor group to C$35 per share for all the 76.1m shares. The bid, worth C$2.66bn (£1.42bn), is conditional on a rival C$40 a share offer for 50m shares being dropped.

PUMA, West Germany's second largest sports shoemaker and a growing competitor in the international sports and leisure wear market, plans to issue shares on the Frankfurt Stock Exchange. Page 13

DEMERGER, company created to bid £173m for the Extel information and publishing group, *revised the terms to* make them more attractive to shareholders. Page 12

SEARS HOLDINGS, retail group, is selling its 20 per cent stake in Central Independent Television for £13m. Page 12

UNITED NEWSPAPERS, publisher of the Daily and Sunday Express and the Star, has sold its remaining B shares in Reuters, the news information group, for £76m. Page 12

MARKETS

DOLLAR

New York lunchtime:
DM 2.38775
FFr 7.5575
SFr 1.991
Y180.3
London:
DM 2.389 (2.386)
FFr 7.5725 (7.395)
SFr 1.994 (1.996)
Y180.15 (179.65)
Dollar index 121.5 (120.8)
Tokyo close Y180.10

US LUNCHTIME RATES

Fed Funds 7⅛%
3-month Treasury Bills:
yield: 6.41%
Long Bond: 121¼
yield: 7.45%

GOLD

New York: Comex June
$338.5
London: $335.25 ($333.25)

STERLING

New York lunchtime $1.451
London: $1.448 (1.458)
DM 3.46 (3.4775)
FFr 10.965 (10.7825)
SFr 2.8875 (2.91)
Y260.75 (262.0)
Sterling index 76.4 (76.5)

LONDON MONEY

3-month interbank:
closing rate 11⅛% (11¼)

NORTH SEA OIL

Brent 15-day April
$12.25 ($11.0)

STOCK INDICES

FT Ord 1,420.9 (−5.0)
FT-A All Share 832.36
FT-SE 100 1,709.7 (−7.9)
FT-A long gilt yield index:
High coupon 9.10 (9.01)
New York lunchtime:
DJ Ind Av 1,764.01 (−2.39)
Tokyo:
Nikkei 15,019.81 (−252.43)

Chief price changes yesterday, Back Page

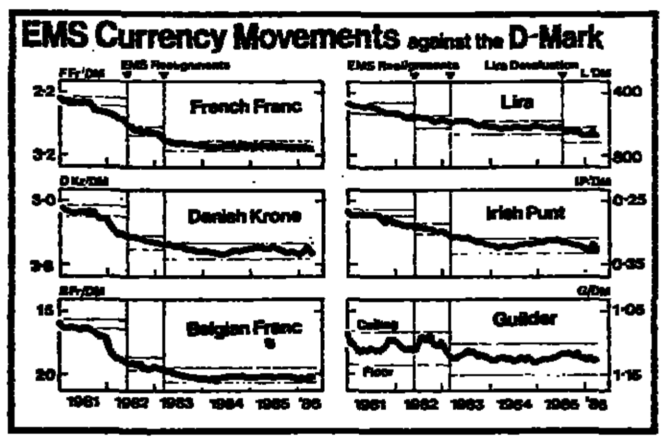
CONTINENTAL SELLING PRICES: Austria Sch 20; Belgium BFr 45; Denmark DKr 8; France Fr 6.00; W Germany DM 2.20; Ireland 60p; Italy L1,500; Malta 30c; Netherlands Fl 2.75; Norway NKr 7.00; Portugal Esc 90; Spain Pta 125; Sweden SKr 7.00; Switzerland Fr 2.20.

EMS realignment talks will focus on franc devaluation

BY OUR FOREIGN STAFF

EEC finance ministers today begin negotiating a broad re-*alignment of* currencies within the European Monetary System on the initiative of the new French Government led by Mr Jacques Chirac.

Expectations in Paris last night were that the negotiations in the vollage of Ootmarsum in the eath Netherlands could be difficult and may last well into tomorrow. The main focus will be on deciding the extent of the French franc's devaluation against the D-mark but this will inevitably force adjustments in other currencies—notably the Belgian franc, the Dutch guilder, the Irish punt and the Italian lira.



Speculation among bankers and currency dealers yesterday suggested a French franc devaluation against the D-mark of 6 to 8 per cent.

As sterling is not a full member of the exchange rate mechanism, Mr Nigel Lawson, the Chancellor, is expected to take a back seat at the negotiations. There were no indications last night that the government was abandoning its long-standing reluctance to make the pound a full member of the EMS.

Although the centre-right parties now in government in France had held out the prospect of a devaluation during the recent election campaign, the final decision was apparently not taken until Thursday. This was first signalled by the Bank of France halting intervention *in support of the franc late on* Thursday afternoon.

The move, acknowledged in Paris as "brutal," was dictated by the French Government and not the Bank's governor, Mr Michael Camdessus. It was partly in response to pressure on the franc this week.

This was followed up by telephone calls requesting a realignment this weekend made on Thursday evening by Mr Edouard Balladur, the French finance minister, to his counterparts in EMS capitals.

Mr Belladur will be expected to give his colleagues some taste of the policy measures—due to be outlined by Mr Chirac next week — which will follow the devalution. But it is thought he will not have any details to offer.

Until yesterday, the new minister had seemed doubtful about the timeliness ofthe move, reflecting broader divisions within the new Government on the issue, but he will stress this weekend its importance as part

Continued on Back Page
EMS realignment signals French policy shoft and How system preserves currency stability, Page 3
Money markets, Page 15

Currency dealings halted

BY GEORGE GRAHAM

FOREIGN EXCHANGE markets were thrown into confusion yesterday as central banks around Europe suspended their official currency dealings.

France's central bank had abandoned the French franc to its fate the previous evening as it fel lto its permitted limit in New York. Yesterday the currency slid further in anticipation of its devaluation within the exchange rate mechanism of the European Monetary System.

But dealers were left in uncertainty by the suspension of official intervention in support of the exchange rate mechan-*ism.* Trading was even thinner than normally expected on a Friday, and the spread between buying and selling prices widened sharply, revealing uncertainty over what levels currencies would settle at.

The spread rose to as much as 1 centime for French francs, more than five times as wide as in normal trading. The franc ended with *a loss of nearly* 18 centimes against the dollar, closing at FFr 7.5725 in London.

"The centarl bank threw a bucket of cold water on to the market," commented the chief dealer at one leading London bank. "You cannot carry on normal trading. We certainly would not want to initiate any large transaction."

Some speculators took out large positions in French francs and West German marks in the spot market yesterday morning before exchange rates had moved to their full extent. By noon, however, it was already too late to place significant bets on the extent of the likely realignment.

In general, the foreign exchange markets had too little idea of where exchange rates should be to take advantage of their unusual opportunity to move currencies without intervention from the central banks.

In unofficial dealings in Frankfurt, the franc was quoted at around DM31.60 for FFr 100 compared with Thursday's closing rate of 32.50—a de facto devaluation of around 3 per cent. Banks meanwhile were changing francs for tourists more than 4 per cent cheaper than on Thursday.

Sterling remained largely unaffected by the market's turmoil, ending only 0.1 lower on the Bank of England's index at 76.4. After losing 1 cent against the dollar to close at $1.448, and 1.75 pfennigs against the D-mark to reach DM3.46, its performance in the index was rescued by a gain of 18 centimes against the French franc.

The dollar ended the day in London with a slight gain against the German currency, closing at DM2.389. It also gained against the Japanese yen, moving up by ¼ yen to Y180.15.

London's stock markets took more notice of takeover bids than of the prospective EMS realignment. The FT Ordinary share index lost 5 points down on the day to end at 1420.9—still a gain of nearly 31 points in a short trading week. The broader FT-SE 100 index settled 7.9 lower at 1709.7.

Gilt-edged Government bonds, however, lost up to 1¾ points before recovering a little ground, although index-linked gilts rose by up to 1½.

Alexander Nicoll writes: News of the EMS meeting spurred sharp rises in French franc bond prices, on the expectation that a devaluation would leave the way clear for falls in French interest rates. On the Paris financial futures market, trading was suspended when prices rose above the daily limit.

Italian bond markets also strengthened. In West Germany they weakened, though dealers said this was more of a reaction to bond price falls on Wall Street than to the EMS news.

Trading was virtually halted, however, in bonds denominated in European currency units, the basket of European currencies which has been playing a growing role in capital markets. Dealers said the precise implications of a realignment for Ecu interest rates were uncertain.

Gas and electricity price war looms

BY MAX WILKINSON, RECOURCES EDITOR

THE ELECTRICITY industry is planning a renewed tariff battle with *British Gas following* the corporation's decision to hold domestic price increases to less than 1.8 per cent.

The competition may result in electricity consumers receiving a rebate to offset the recently announced 5 per cent price increase.

Senior electricity industry officials have told the Government they will soon start up the big oil-fired power stations to cut costs unless the National Coal Board reduces its prices substantially.

The gas industry's main argument for restraining its price increases is the need to remain competitive with oil. At the same time, the cost of North Sea gas supplies *has been falling* as a result of the oil price collapse.

However, the Central Electricity Generating Board has been asked by the Government to keep its oil-fired power *stations* idle for the time being, even though they would be much cheaper to run than the least efficient of the coal-fired stations.

With oil prices at about $10 a barrel, the electricity industry could save the equivalent of about £500m a year by burning oil instead of coal. If oil prices remain depressed, the saving could be the equivalent of up to 5 per cent on electricity bills.

Yesterday the Electricity Council, which oversees electricity supplies, said it was not sure how long fuel prices would remain depressed, but added: "We are quite determined that our customers should see the benefit."

The council intends to pass *lower costs on to industrial* consumers as soon as possible through fuel adjustment clauses in their bills. Domestic consumers, billed quarterly, will have to wait for a review. This is unlikely to take effect before the autumn.

The CEGB says it could cut its coal consumption by about 42m tonnes a year, approaching half its annual requirement, if it were allowed to burn cheap oil instead.

The cheapest tranche of coal sold by the NCB to the generating board costs £36 a tonne, well above the spot price on international markets and some 15 to 20 per cent above the price which would make it competitive with oil.

Mr Peter Walker, the Energy Secretary, has told the CEGB it must not start up its oil-fired stations until it has finished negotiations with the coal board. However, the NCB has told the Treasury that it would need an *extra subsidy of about £100m a* year if it were to comply with the CEGB's demands.

Oil price surge as shutdown loms, Page 2

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Lloyds in talks to buy Standard Chartered bank

BY DAVID LASCELLES, BANKING CORRESPONDENT

LLOYDS BANK, the smallest of the UK's big four clearing banks, could become the largest if it goes ahead with a £1.17bn offer to buy Standard Chartered, the London-based international bank.

The proposed offer, announced by Sir Jeremy Morse, Lloyds chairman, followed a week of intense speculation about Standard's future which had driven its share price to record levels.

Standard reacted sharply, calling the proposal unwelcome. This provoked City expectations of an improved offer or counterbid, which drove Standard's share price even higher. It closed last night at 805p, an increase of 163p on the day, though slightly down from an early afternoon peak of 830p. This compares with the 750p suggested by Lloyds as a basis for negotiation.

Sir Jeremy contacted Lord Barber, the former Conservative chancellor who is Standard's chairman, asking for discussions because the intensity of speculation had prevented Lloyds from putting together an agreed offer. There will be further talks between the two banks, but Lloyds indicated last night that it wanted an amicable deal and was not prepared to engage in a contest.

Much of the City speculation that an improved offer must be forthcoming was because Lloyds is offering less than Standard's net asset value, put by analysts at about 795p a share. Most bank deals are priced at a premium over net value. One analyst described the Lloyds proposal bid as "only a sighting shot."

Lloyds shares fell on the news, closing at 612p, down 22p. All other leading bank stocks

A merger would create the UK's largest banking group in terms of assets. However, since most of Standard Chartered's branches are abroad, it is unlikely to raise questions of competition in the UK market where it will only marginally increase Lloyds' share.

Lloyds has 2,700 branches in the UK, and a further 500 in 47 other countries. Standard Chartered, originally a British colonial bank, has 35 branches in the UK and about 2,000 in 60 foreign countries in Asia, Africa, the Far East and the US.

The approach came as a surprise to the banking industry which expected a foreign buyer for Standard Chartered. There is also considerable irony in the fact that the bidder is a UK bank since Standard tried to buy the Royal Bank of Scotland four years ago.

Mr Brian Pitman, Lloyds chief executive, said Lloyds wanted to broaden its overseas presence and reduce its dependence on the UK market which accounts for 80 per cent of its profits. The geographical distribution of Standard's branches fitted in well with those of Lloyds, which are concentrated in Europe and Latin America.

There was little overlap, Mr Pitman said, but the merger would mean some duplicated operations would have to be rationalised and some branches combined.

If the deal goes through, it would make Lloyds much the most internationally oriented of the UK clearing banks, particularly as Midland Bank is planning to sell off Crocker National Bank, its US subsidiary. Mr Pitman said that while the UK market was more profitable than most, it was important for banks to expand their range and diversify into new markets.

The deal, which is being handled by Lloyds's newly created merchant bank, would be financed with a combination of cash and an issue of convertible preference shares. After a series of disposals of low-performing operations, and the recent sale of its California subsidiary for $263m (£180m) Lloyds has about £450m in ready cash.

According to Mr Pitman, the combination of the two banks would not have any great impact on Lloyds' capital ratios, its key measures of balance-sheet strength. Its primary capital ratio, the measure used by the Bank of England to calculate how far a bank is leveraging up its capital, would remain unchanged at 8 per cent.

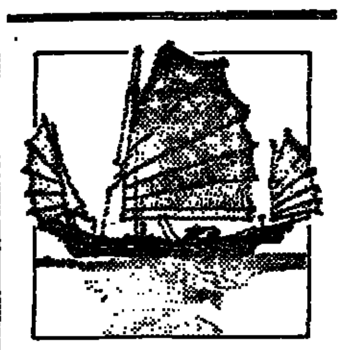
HOW UK BANKS RANK

	Pre-tax profits £m	Assets £bn	Shareholders funds £bn
Barclays Bank	854	65.2	3.3
(Lloyds/Standard Chartered	829	72.6	3.5)
National Westminster	804	72.5	2.9
Lloyds	561	43.8	2.3
Midland Bank	351	58.1	1.8
Standard Chartered	268	28.8	1.2

Source: 1985 annual reports

Black horse set to leap onto world arena, Page 6
Lex and Nomura banking licence, Back Page

WEEKEND FT



BIG SPENDER

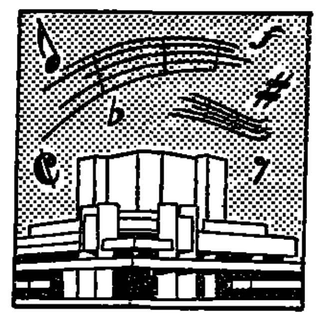
On Monday, the world's most expensive building opens in Hong Kong. How did it come to cost so much?
PAGE I

INSURANCE

At last, an insurance company has offered financial incentives instead of words to make homes more secure against thieves.
PAGE V

HAIR TODAY

There's a new look in hairstyles abroad this spring and fringes are very much a part of it.
PAGE XIII



IN CONCERT

London's new South Bank Board has now taken over the capital's main concert halls — and revealed its plans.
PAGE XV

OVERSEAS NEWS

CONCERN MOUNTS OVER OIL PRICE FALL

US hopes on economy suffer jobs setback

BY STEWART FLEMING IN WASHINGTON

US HOPES for strong economic growth in the first quarter suffered another blow yesterday when the Government reported only a slight decline in unemployment in March and job losses in the manufacturing and energy sectors.

The Labour Department said civilian unemployment fell 0.1 percentage points to 7.2 per cent in March after rising sharply in February. Although non-farm business employment rose moderately — by 192,000, according to the payroll survey — the Department said 42,000 jobs were lost in the manufacturing sector and 30,000 in the oil, gas and mining industries.

Evidence of weakness in the oil sector comes amid mounting concern about the impact of the decline in oil prices on states such as Texas and Oklarhoma, where the combination of economic problems in the energy, agriculture and property sectors have already prompted worries about the stability of some financial institutions.

Bank regulators in Washington are reportedly preparing emergency legislation to extend expiring laws which permit inter-state takeovers of banks in financial difficulty.

The Reagan Administration appears divided about how it *should respond to the changes* in domestic and international economic conditions brought about by the oil price fall.

Officials believe that in the medium term the fall in oil prices will help the economy. The Administration seems divided about whether initiatives are needed to offset some of the adverse short-term effects, particularly on US energy producers. There are also signs of unease about the potential impact of falling oil prices on the dollar.

In an abrupt change of tone top Administration officials have in the past few days been backing away from their earlier insistence, expressed most notably in February by Mr James Baker, US Treasury Secretary, that a further decline in the dollar would not be unwelcome.

In spite of the strengthening of the dollar in the past few weeks officials are saying that they are not unhappy with where the dollar stands.

Behind the shift appear to be fears that major oil producing states could begin to sell dollars from their reserves to offset lost income from the declining value of exports and that demand for dollars will decline because oil importing nations will need fewer dollars to pay for imports.

Singapore clampdown on fraud

COPYRIGHT pirates in Singapore will face maximum fines of S$100,000 (£———) and five *years in jail, according to a* copyright Bill introduced in Parliament last month, Reuter reports.

Details of the Bill were released yesterday. Under its provisions, anyone found guilty of pirating records, cassette tapes, video tapes, books or computer programs will be fined up to S$10,000 per copy, or S$100,000 whichever is less.

Singapore is regarded as a haven for copyright pirates and shoppers can buy fake cassette tapes for less than a fifth of the price of originals.

Under the Bill, anyone who distributes fake items could be fined up to S$50,000, face three years in jail, or both.

Making a fake sound or video *tape or advertising to supply a* copy of unauthorised computer programs will carry a maximum S$20,000 dollar fine.

The Bill also proposes that a copyright tribunal be set up to settle disputes over performing and broad*casting rights.*

French terminal for ferry company

SALLY LINE, the Finnish-owned cross-Channel ferry company, is to have a FFr 60m (£5.7m) luxury terminal built for its passenger services in France by the port of Dunkirk.

The terminal should be completed by spring next year and is being paid for by Port Autonome de Dunkirk, the French end of the Sally services.

Dublin increases incentives for business

BY HUGH CARNEGY IN DUBLIN

A PACKAGE of generous tax inventives to stimulate business and employment were announced yesterday by Mr John Bruton, the Irish Finance Minister, when he published his *Finance Bill giving* effect to January's budget.

Buoyed by the benefits already accruing to Ireland from the fall in oil prices, Mr Bruton said the country was on the point of a breakthrough in employment. Unemployment, currently at 18 per cent of the workforce, should stabilise next year, he said.

To help this, he wanted to shift investment away from non-productive savings to risk-oriented business ventures, he said.

He cut taxation on dividend *income from manufacturing* companies and reduced from 40 per cent to 30 per cent capital gains tax on assets other than deevlopment land held for a minimum of six years.

He set a capital gains tax rate of 30 per cent on gains made on shares traded on the newly-established smaller companies market on the Irish stock exchange.

Tax relief on equity investment in manufacturing was extended to 1991. The qualifying period for full tax relief on profit-sharing schemes was cut to five years from seven, with *stamp duty on such shares re*moved for the first time.

To compensate top executives for Ireland's draconian tax regime, Mr Bruton announced heavy tax relief on stock options, including the provision for capital gains tax to be payable only on the difference between the market price on the date of acquisition of shares and proceeds received on sale of the shares.

There were also tax incentives for companies involved in research and development.

In addition, Mr Bruton said *a levy* on investment income of life assurance companies was being reduced to 9 per cent from 15 per cent this year and would be replaced next year by a new corporation tax measure.

He exempted charities from a new 35 per cent deposit interest retention tax announced in the budget and said old and incapacitated people would be eligible for rebates.

World Bank approves loan to Argentina

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE WORLD BANK yesterday approved a $350m (£240m) loan for Argentina to help reform its agricultural sector and boost foreign exchange earnings by as much as $1bn (£685m) by 1989.

The loan is the first in a series of sectoral adjustment loans expected to be agreed with Argentina under the new style lending the World Bank has adopted in *keeping with the so-called Baker* plan for easing the developing country debt crisis.

Significantly, it has been approved on the eve of the International Monetary Fund's Interim Committee meeting in *Washington at which progress* in implementing the Baker plan is likely to be a main topic.

Bankers estimate that Argentina, whose balance of payments has been suffering from the fall in world grain prices, might need to raise new foreign loans this year for a total of some $3bn.

It has been regarded as a potential test case for lending under the Baker plan, which calls for debtors to adopt more growth-orientated economic ad*justment policies in return for* loans from commercial banks and official institutions such as the World Bank and Inter-American Development Bank.

However, concrete results of the Baker plan have been slow to *emerge since it was launched* by the US Treasury Secretary in Seoul last October.

Unstable dollar 'a threat to textile producers'

BY ANTHONY MORETON IN GENEVA

EUROPEAN textile producers warned yesterday that if the Multifibre Arrangement (MFA), the world accord that regulates the growth of trade in textiles and clothing, is to be continued after it expires in July then the US dollar will have to be stable.

Mr Harry Leach, president of Comitextil, the Brussels-based organisation that co-ordinates textile producers within the European Community, said in Geneva that, following the fall of the dollar since December, imports into Europe from low cost producers had increased by just over 10 per cent in volume. Knitted clothes had risen by almost a third and fabrics by 16 per cent.

Exports from Europe had fallen by almost 2 per cent. Most low cost Third World producers price their products in US dollars.

Mr Leach said production had increased marginally but clothing output had fallen by more than 4 per cent since the end of last year.

If the weakness of the dollar continued, he said, Comitextil would have to seek changes in the MFA.

Delegates from 60 countries are discussing the terms of an extension to the arrangement within the Geneva-based General Agreement on Tariffs and Trade (Gatt).

Mr Leach said European producers had to be able to take protective action if there were a sudden surge of imports.

Oil prices surge as shutdown looms

By Dominic Lawson

OIL PRICES on both sides of the Atlantic rose sharply yesterday as the prospect of a shutdown of Norway's 1m b/d offshore oilfields grew.

April cargoes of Brent, the UK crude which competes in the market with Norwegian oil, were quoted as high as $12.10, compared with the previous day's range of under $11 a *barrel, and Monday's* record plunge below $10 a barrel.

If the Norwegian offshore caterers union does not back down in final talks today to avert a strike, then Norwegian officials are certain that other offshore employees will down tools.

"There is more than a 50/50 chance that our oil production will be brought to a halt," a government official warned yesterday.

Greek unions meet

GREECE'S trade union congress (GSEE), launched its 23rd national conference yesterday under the shadow of a boycott by militant left and right-wing trade unions opposed to the Socialist Government's economic austerity programme, writes Andriana Ierodiaconou in Athens.

The programme, which includes a two-year wage freeze, sharply divided Greece's labour movement and created internal rifts in the Socialist trade union ranks when it was announced last October. The conference was called by loyalists in a bid to consolidate their hold on the congress.

Gorbachev firm

MR MIKHAIL GORBACHEV, the Soviet leader, yesterday reaffirmed to visiting US Congressmen that he is looking forward to a summit with President Reagan in the US as agreed at Geneva last year, *writes Patrick Cockburn* in Moscow.

The Soviet leader adopted a conciliatory attitude during a long meeting with Mr Dante Fascell, chairman of the Foreign Affairs Committee of the House of Representatives, and Mr William Broomfield, also a member of the committee.

TWA denies security failure over terrorist bombing

BY PAUL TAYLOR IN NEW YORK

TWA, the US airline at the centre of a growing controversy over the Flight 840 terrorist bombing tragedy, yesterday defended itself against allegations of lax security. The New York-based airline said that a "full and comprehensive" internal review had revealed that TWA security procedures "met all company and government standards and that at no point was there a lapse in the implementation of those procedures."

But it admitted that the chief suspect in the bombing, identified by Italian authorities as an Arab woman travelling under the name May Elis Mansour, arrived late for Flight 841 from Cairo to Athens and was driven across the tarmac to board the waiting jet by a TWA passenger agent — "as with any other late passenger."

TWA said no breaches in security by either airline or airport authority personnel had been found. In spite of her late arrival, the suspect was "subjected to the most rigorous of security checks at Cairo."

The airline issued its statement in response to growing concern about how a known terrorist managed to board the aircraft and apparently either carried the bomb on board or activated it.

According to government officials in Rome, Athens and Cairo, Mrs Mansour, wanted by Italian authorities in connection with an attempt to plant a bomb on an aircraft in 1983, left Flight 841 in Athens to wait for another flight to Beirut, the Lebanese capital.

Her aircraft to Beirut was taking off at the same time as the bomb exploded on the TWA jet, Flight 840, returning from Rome to Athens.

The TWA statement appears an attempt to clear the airline and airport authorities in all three countries of any breach in security procedures, but it leaves open a number of crucial unanswered questions.

These include: whether tougher security procedures could have avoided the tragedy; why the bomb was not discovered when the aircraft was cleaned and searched at Rome before returning to Athens; and how it was possible for the suspect to activate the bomb unnoticed.

In the wake of the incident, TWA's management has faced criticism from its striking flight attendants who have alleged that the TWA flight was staffed by inexperienced non-union cabin staff hired during the strike. Mr Carl Ichan, TWA's chairman, has described that charge as "irresponsible and untrue."

Nora Boustany reports from Beirut: Airport and security officials yesterday confirmed that Mrs Mansour arrived in Lebanon on Wednesday aboard a Middle East Airlines flight from Athens. They had no information on her whereabouts. Security officials said they were

Berri re-elected Amal leader

The Shi'ite Amal Movement yesterday re-elected Nabih Berri as president, thus consolidating his hold over the 12-year-old organisation which has served as the Shi'ite Moslem community's main vehicle for political power.

The sound of machine-gun fire and rocket-propelled grenades resounded in the Moslem half of Beirut to celebrate the victory of the 48-year-old leader.

Mr Berri is also a member of Lebanon's national unity cabinet. His main rival for the leadership of Amal, Mr Hassan Hashem, stayed away

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Financial Times writers assess the impact of this weekend's changes in the European Monetary System

EMS realignment signals French policy shift

BY DAVID HOUSEGO IN PARIS

FRENCH conservative leaders such as Mr Alain Juppe, now the Minister for the Budget, have long been saying that the franc was overvalued and that a right-wing government would have to seek a devaluation after the elections.

But as the weekends have ticked by since polling day on March 16 without an EMS readjustment, so also has it seemed have the right's possibilities of carrying through a devalution by blaming it on "the mismanagement" of the Socialists.

It had also begun to appear that Mr Edouard Balladur, the new Finance Minister — and by temperament hostile to a slippage in the currency — was locking himself into the kind of restrictive, disinflationary policies needed to maintain the franc at is former parity.

Worries on this score were even this week causing the more free market advocates among the new right-wing fi among the new right-wing majority in the National Assembly — including, in private, former President Giscard d'Estaing — to express fears that Mr Jacques Chirac's administration would backtrack on the conservative's election pledges.

INCREASES IN MANUFACTURED EXPORTS (by volume)

	%
France	1.8
US	3.5
Japan	4.2
West Germany	8.8
Britain	9.8
Italy	2.2

But the immediate effect of the realignment over the weekend will be to give the new government much more leeway in its plans to liberalise the economy without fear of provoking a fresh currency crisis.

Apart from a substantial lifting of foreign exchange controls which could come as part of the weekend realignment package, the bulk of the accompanying measures are likely to be announced early next week when Mr Jacques Chirac makes his first statement of policy before the National Assembly.

The measures should include the almost complete removal of price controls, the lowering of interest rates, some cuts in taxation for companies, the easing of redundancy procedures and possibly a tax amnesty to encourage the return of flight capital.

The overall aim of these moves will be to strengthen the competitiveness of French industry by encouraging investment, while at the same time giving a stimulus to economic activity so as to create more jobs.

In other words Mr Chirac looks like opting for a higher risk, higher growth economic strategy than the Socialists have been operating over the past two years.

The French Bourse yesterday responded with glee and the index of share prices rose by 2.6 per cent.

The weekend's readjustment comes at a time when there is no irresistible market pressure for a devaluation of the franc. France's inflation rate has only risen by 0.6 per cent over the past six months—the same as West Germany — or at annual rate of 1.2 per cent.

At the same time the fall in the dollar and in oil prices means that a small current account surplus in 1985 would, without a devaluation, have been transformed into a significant surplus this year.

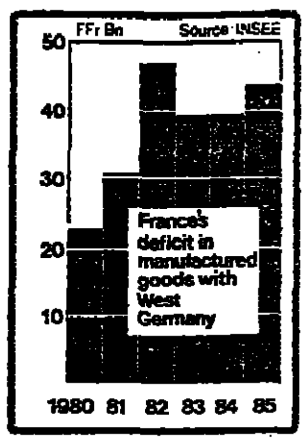
The French Treasury—which has been against a devaluation —has argued that this was not the moment to throw away an historic opportunity of bringing French inflation down to 1.5 per cent to 2 per cent by the end of the year.

But apart from the political reasons, two arguments have been paramount in carrying the case for a realignment. The first is that the need over recent months to forestall an attack against the franc in advance of the elections has meant that real interest rates in France have been at an historic high, despite the progress on reducing inflation.

Thus the Bank of France's intervention rate—the leading money market rate—currently stands at 8¼ per cent.

One consequence of this is that short-term interest rates in France are now knocking against long-term rates which on 10-15 year bonds is between 8 per cent and 8½ per cent.

At the same time borrowing costs with nominal rates for housing loans of 10.5 per cent to 14 per cent and for medium-sized companies of 13 to 17 per cent, have become prohibitive for many.



The other major argument is that the overvalued franc has been one of the factors damaging French industrial competitiveness and France's market share in the world trade in manufactured goods.

Since the last realignment in March 1983, the cumulative difference in French and West German inflation has risen to 12 per cent—thus squeezing margins for French exporters to West Germany and particularly for the two French car manufacturers Peugeot and Renault.

The other mjor cause of the loss of French competitiveness —and one for which a devaluation will not provide immediate heip—is that France has no longer the right product mix or the capacity to respond to a growth in world demand. To improve this the Government is looking to its package of measures designed to increase investment and reform industrial structures.

The decline in competitiveness over recent years has shown up in a number of key indicators. The French trade deficit, for instance, which improved to FFr 24bn in 1984 stood firm at this level last year, notwithstanding the first effects of a falling dollar and oil prices. Behind this lay a tailing off in France's surplus in industrial goods exports.

While French exports of manufactured goods in volume terms rose by only 1.8 per cent last year, those of Britain rose by 9.8 per cent and of West Germany by 8.8 per cent. France's deficit in trade manufactured goods with West Germany has increased from FFr 31bn in 1981 to FFr 44bn last year.

How system preserves currency stability

BY GEORGE GRAHAM

IN A PERIOD in which the world's currency markets have been more than usually volatile, the European Monetary System has been remarkably successful in maintaining stability for the eight currencies that take part in its exchange rate mechanism. With the exception of the Italian lira, which was devalued last July, they have preserved the same relationships for more than three years with little difficulty.

It was not always so. From its beginning in March 1979, the EMS exchange rate mechanism saw seven realignments in the next four years. Since then, however, member countries have seen not only increasing currency stability, but also a convergence of inflation rates towards West Germany's lower levels and deepening integration of trade within the EEC.

The realignment expected this weekend does not herald a return to instability. In earlier years it was most often the foreign exchange markets which forced the pace by pushing one or more currencies beyond the limits set by the EMS.

The last week, however, has seen little of the speculative pressure that might have been expected, especially since the incoming French Government had effectively signalled its willingness to devalue the franc within the EMS.

French overnight interest rates have risen, but there has been no recurrence of the giddy 1,000 per cent rates that preceded earlier realignments.

The currency markets, left free of central bank intervention at France's request yesterday, were at a loss where to pitch European exchange rates. In effect, they handed back both the timing and the extent of the realignment to governments.

The exchange rate mechanism itself is only a part of the full European Monetary System, in which the UK and Greece take part, besides the eight full members. The system also set up a pool of foreign exchange reserves and gold in the European Monetary Co-operation Fund, as well as establishing the ecu, a currency unit made up of a basket of the other EEC currencies.

But it is the exchange rate mechanism which represents the greatest step towards monetary co-operation and which has scored the greatest success in helping financial stability.

It functions by setting central exchange rates for every currency against each other unit in the mechanism — the Luxembourg franc is in fact pegged to the Belgian franc. A currency may move up to 2.25 per cent either way from any of these central rates, although the lira is allowed to swing by up to 6 per cent. At these trigger points the central banks must intervene.

A secondary mechanism is the divergence indicator, which shows how far a currency has moved against the ecu. If a currency moves beyond a certain threshold, its central bank is expected, but not obliged, to take action.

In theory, the obligation to intervene affects both the strong currencies and the weak. If the Belgian franc is weak and the D-mark strong, then both countries would have to intervene either directly in the currency markets or by adjusting interest rates.

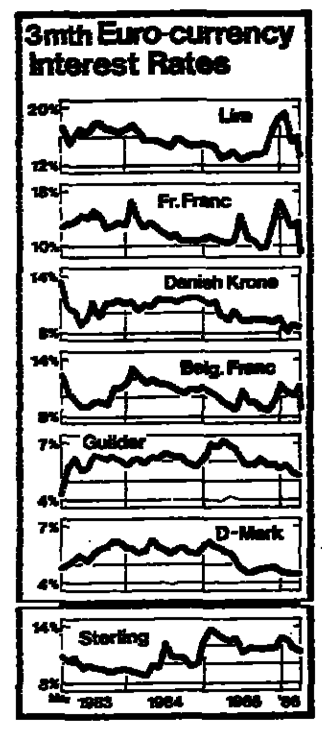
In practice, however, the onus tends to be on the weaker nation to alter its economic policies. This has usually meant that the exchange rate mechanism centres itself on the D-mark, because of the strength of the West German economy and its low inflation rate.

"The mechanism really consists of a German currency zone with some smaller countries like Holland and Belgium closely tied to it, plus France, whose relationship with the rest depends on French political interests," said Dr David Lomax, group economic adviser at National Westminster Bank

There has been convergence between the economies of the ERM member states, at least since 1981. Helped by falling oil prices in recent months, there has been considerable success in bringing French and Italian inflatilon rates down

Differences do emerge, however, and they have been compounded over the three years since the last full EMS realignment. German inflation since then has totalled only 6.1 per cent, while in France it has amounted to 18.9 per cent. French prices now stand nearly 13 per cent higher in relation to West German prices than they did in March 1983.

Productivity gains in France mean that the effect of this inflation differential on the competitiveness of French trade is less severe. The French Government has viewed the course of its bilateral trade with Germany with some equanimity. Nevertheless, the need for some depreciation of the French franc against the D-mark if competitiveness is to be maintained has emerged.



Italian wine exports hit as fears over poison grow

BY JAMES BUXTON IN ROME AND PETER BRUCE IN BONN

CONCERN OVER the Italian poisoned wine scandal spread through Europe yesterday with Denmark banning all imports and West German health authorities adivising against drinking any Italian wines. The Swiss authorities seized 40,000 litres of Italian red at the border.

In Italy wine exporters protested that the controls on exports decreed by the government would halt the export of Italian wine for a considerable time.

Earlier this week a decree came into effect which requires all consignments of wine going abroad to be accompanied by a certificate stating that the methyl alcohol content of the wine does not exceed the legal level. Italian red wine is allowed to contain 0.5 per cent of this substance which occurs naturally in all wine.

In Bonn federal health authorities issued a sweeping warning to West German wine drinkers advising them to avoid drinking all Italian wines. The customs authorities have also been ordered to conduct tests on all Italian wines entering the country.

It was confirmed for the first time yesterday that some West Germans have been hospitalised after drinking Italian wines, which contain dangerous levels of methanol. So far, 15 Italians have died after drinking doctored wine. Methanol raises the alcohol content of the wines it is added to.

The Italian Wine Producers Federation said that while it recognised the difficulties facing its members over export certificates, Italian wine faced a state of emergency, and all producers would have to make sacrifices—"even though 99.9 per cent of them have done nothing wrong."

"It is better that we should be seen to be making our own controls rather than have them imposed by importing countries," it said.

Italian wine exports in 1984-85 amounted to L1,500bn (£650m).

As more details of the wine scandal emerged, investigators are learning that at least some of the lethal wine barely deserves the description wine at all. While some may consist of wine with a low natural alcohol content to which methanol was added to strengthen it, other wine appears to have been made out of a mixture of water, methanol and a small amount of wine used as a colourant and to give it a degree of flavour.

Some leading government spokesmen in Bonn have begun to call for a complete ban on sales of Italian wines.

The chief of the toxology department at the Munich University clinic said yesterday that he was treating some people who had drunk Italian wines. There were, however, no serious cases, he said. The toxology unit has been flooded with calls from worried wine drinkers, he said,

Air Canada curbs smoking

BY BERNARD SIMON IN TORONTO

AIR CANADA is to ban smoking by all passengers on some of its busiest short-haul flights pending the outcome of a government study into the feasibility of a total ban on smoking in Canadian air space

The state-owned airline said that half its 76 daily flights between Toronto, Ottawa and Montreal will be designated non-smoking for a three-month test period starting on April 27. The proportion of non-smoking passengers on its flights has risen from 50 per cent to 75 per cent in the past 15 years, it said.

Mr Don Mazankowski, Transport Minister, commissioned a comprehensive study last month into the effects of smoking on the health of passengers and crew, on aircraft safety, and on cleaning and maintenance costs. A policy paper is expected to be completed by the end of April.

Among the effects of smoking being examined are the contamination of recirculated air in aircraft cabins, tar nicotine deposits in air filtration systems, the smell of stale smoke impregnated into seat fabrics, and the health of passengers and crew.

OVERSEAS NEWS

US GROUP AIMS TO IMPROVE EDUCATION

Mobil to set up black S. African foundation

BY ANTHONY ROBINSON

MOBIL, the US oil company, is to set up an R40m (£15m) foundation to finance improvements in black education, rural development and assistance to small businesses.

The move was announced yesterday in spite of a call by Bishop Desmond Tutu earlier this week for punitive sanctions.

Mr George Racine, chairman of Mobil South Africa said that by creating the foundation, Mobil has shown that it intends to stay in South Africa. "We believe there is only one way to answer the justifiable anger among blacks at the shortcomings in the education of their children — that is to improve teaching and the quality of education in one system.

"We hope the foundation will play a meaningful part."

Mobil, which has been active in South Africa for almost a century, employs 3,200 people, owns a refinery in Durban and runs an extensive distribution network.

According to US State Department estimates, it represents the largest single US investment in the country but the company refuses to divulge the extent of its investment.

Meanwhile the home of Dr Sam Motsuenyane, one of South Africa's most prominent black businessmen, was destroyed in a petrol bomb attack early yesterday as violence continued in several townships throughout the country.

Dr Motsuenyanye's wife was one of several thousand black demonstrators arrested last month in the Winterveld township and squatter camp complex in the Bophuthatswana homeland, north of Pretoria after police violently assaulted a large crowd protesting against living and other conditions, killing at least 11 people.

Tension remains high in the area. Local community leaders have protested against the activities of vigilante squads who seek out political activists, destroy their homes and attack people.

Dr Motsuenyane is chairman of the black-owned African Bank and president of the black National African Federated Chambers of Commerce (Nafcoc).

He was in Belgium at a business conference at the time of the attack.

Finance minister removed in Zambian reshuffle

BY PATTI WALDMEIR IN LUSAKA

DR KENNETH KAUNDA, the Zambian President, yesterday announced a wide-ranging government reshuffle which included the removal of Finance Minister Luke Mwananshiku, the chief architect of Zambia's recent agreement with the International Monetary Fund (IMF) on a SDr 230m (£——) economic reform programme).

Dr Kaunda also announced changes in all the top economic portfolios in government, including the posts of central bank governor and the influential position of special economic adviser to the president.

The news is likely to be greeted with some consternation in donor capitals where the economic team led by Mr Mwananshiku and including Mr David Phiri, Bank of Zambia governor and Mr Dominic Mulaisho, economic adviser to the president, have been held in high esteem.

Western donors have provided considerable backing for Zambia's economic adjustment programme, pledging some $400m in concessional aid this year.

President Kaunda was at pains to stress, however, that his government remains firmly committed to the IMF-inspired policy changes of the past six months, including the introduction of an innovative foreign exchange auctioning system which has led to a 70 per cet devaluation of the Zambian currency, the kwacha.

However, he criticised what he called certain abuses of the new system including the importation of luxury items such as tinned beer from South Africa, and charged his newly-appointed economic team, under the leadership of Finance Minister Mr B. R. Kabwe, with seeking solutions to these problems.

Mr Kabwe has held a number of ministerial posts in the past but is understood to lack direct experience of the highly technical issues handled by the Finance Ministry. The new central bank governor, Dr L. S. Chivuno, is a Moscow-trained economist whose appointment is likely to cause concern in western capitals.

The move comes scarcely three weeks before Zambian officials are to meet the country's commercial bank creditors in London for critical talks on rescheduling the country's commercial bank debt.

Kaunda . . . policy unchanged

Philippine communists warn on truce call

THE outlawed Philippine Communist Party has warned its members to treat government calls for ceasefire talks with "extreme care and tact." Reuter reports from Manila.

The party's clandestine newsletter Ang Bayan (The Nation), which was in circulation yesterday, said the communists would agree to the talks only if the Aquino Government made significant political and economic changes.

The statements signalled that discussions on a ceasefire in the guerilla war could be protracted and that a communist price for peace might be removal of Mr Juan Ponce Enrile, Defence Minister, and Mr Fidel Ramos, armed forces chief, who launched the revolt that toppled President Ferdinand Marcos.

Ang Bayan accused Mr Enrile and Mr Ramos of creating a military clique in the new government that could limit Corazon Aquino's reforms and dominate her coalition. It said that while the government held liberal views, Mr Enrile, Mr Ramos and the military "remain reactionary if not fascist."

"While there is no sufficient basis at present for us to actually enter into an agreement for a ceasefire, we are not foreclosing the idea of entering into talks

Spain plans three TV channels to end state monopoly

BY DAVID WHITE IN MADRID

THREE PRIVATE television channels are foreseen in a long-awaited bill breaking Spain's state TV monopoly. The bill was approved in Cabinet yesterday.

However, the Government said it would wait before sending the bill to parliament in order to seek "as broad an agreement as possible" with the opposition.

Several Spanish press and radio groups have already expressed interest in setting up channels, and Mr Silvio Berlusconi, the Italian television magnate, has established a foothold in Spain by buying up a film studio as a centre for TV productions. The concessions are to be open to Spanish or EEC capital, without limits on participation.

The channels will be allocated by the Government under 10-year renewable contracts, and will be supervised by an equivalent of Britain's Independent Broadcasting Authority.

Spain has two nationwide channels, both state-run, and local channels backed by regional governments.

The outline of the reform was agreed between Mr Felipe Gonzalez, the Prime Minister, and Mr Manuel Fraga, leader of the right-wing opposition last October, but the details of the proposed bill were kept a close secret.

Mr Fraga's Popular Alliance Party, which has been running a strident campaign against the management of RTVE, the Spanish state television company, had complained about the delay in coming out with the bill.

The Government was believed to be hesitating between proposing two or three new channels. Mr Javier Solana, government spokesman, said it had opted for three "at least initially" after taking into account technical considerations, economic viability and the general public interest.

The reform of RTVE's statute, which is the result of lengthy negotiations between the Socialists and the opposition, will end the monopoly over the transmission of TV signals. Private and regional government channels will have access to the state transmission network and may become minority shareholders in a company newly-formed to operate it, under the proposed reform.

The new statute is also seen as increasing parliamentary control over RTVE.

Mr Solana said yesterday he hoped a consensus could be reached with the opposition in the next 10 days so as to speed up the bill's passage through Congress.

West Berlin mayor to reshuffle city government

BY LESLIE COLITT IN BERLIN

WEST BERLIN'S Christian Democrat (CDU) governing mayor, Mr Eberhard Diepgen, yesterday announced he would reshuffle the city government which for months has been at the centre of a corruption scandal.

Although Mr Diepgen gave no details it was widely expected that his controversial deputy, Mr Heinrich Lummer, would be sacrificed along with the head of the city's housing department.

Mr Lummer was accused of assisting a West German businessman, now under arrest, who wanted to buy city-owned apartment houses cheaply.

Calls for his resignation have mounted in recent days after disclosures that he also paid DM 2,000 (£576) to a right-wing group in 1971 to prevent it from entering municipal elections. The money was apparently used to produce emotive posters against the then ruling Social Democrats (SDP).

The scandal also involves city officials charged with accepting bribes and campaign contributions from builders who received preferential treatment.

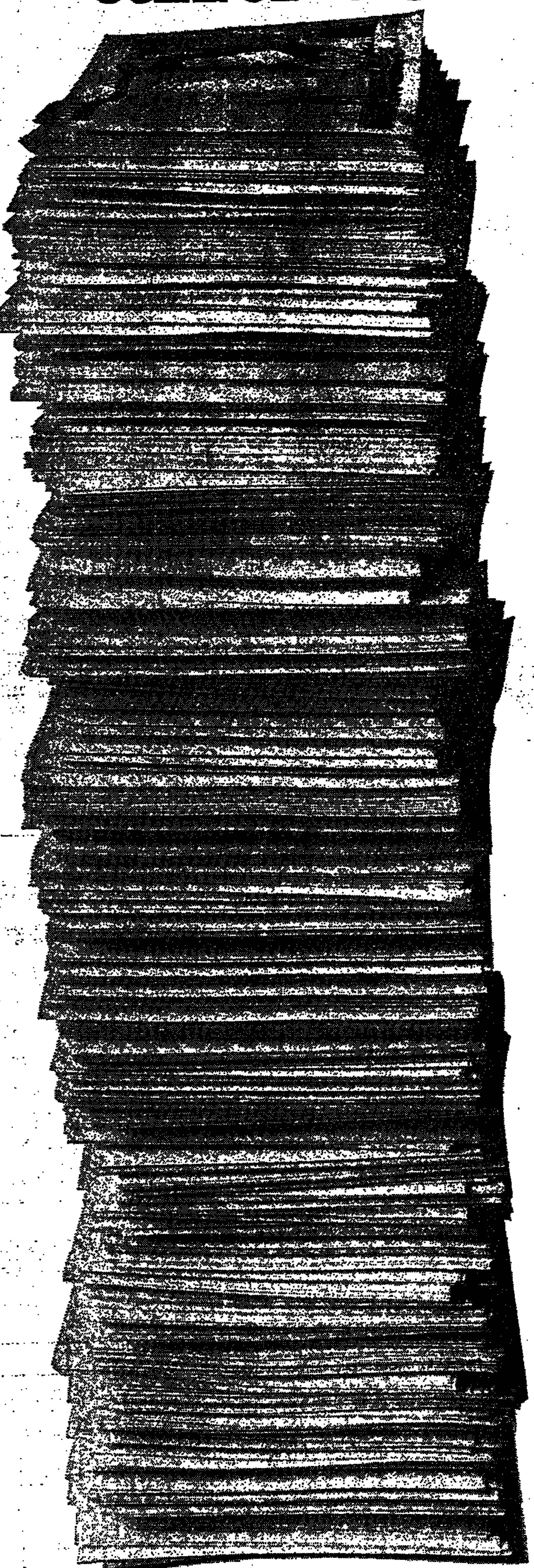
Mr Diepgen has been urged to act quickly during the week by advisers to Chancellor Helmut Kohl. They were concerned that the CDU might suffer losses in an important state election later this month if the troubles in West Berlin were not tackled. The opposition SPD yesterday called for Mr Diepgen's resignation.

West Berlin is dependent on the financial support from the Bonn Government and relies heavily on investments by West German industry.

Over-the-Counter Market

High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
146	118	Ass. Brit. Ind. Ord. ...	132xd	—	7.3	5.5	8.1	7.5
151	121	Ass. Brit. Ind. CULS...	138	—	10.0	7.2	—	—
75	43	Airsprung Group	72	—	8.4	8.9	12.0	15.7
46	33	Armitage and Rhodes...	35	—	4.3	12.3	4.3	6.2
177	108	Bardon Hill	176	—	4.0	2.3	22.3	23.2
64	42	Bray Technologies	56	—	3.9	6.7	7.1	8.2
201	136	CCL Ordinary	138	—	12.0	8.7	3.4	3.2
152	97	CCL 11pc Conv. Pr. ...	99	—	15.7	15.9	—	—
150	80	Carborundum Ord. ...	147	+1	4.9	3.3	7.3	11.4
94	83	Carborundum 7.5pc Pf.	91	—	10.7	11.8	—	—
65	46	Deborah Services	65	—	7.0	12.7	5.7	7.5
32	20	Frederick Parker Group	33	—	—	—	—	—
112	60	George Blair	112	+2	—	—	4.9	8.3
68	20	Ind. Precision Castings	62	—	3.0	4.8	16.4	13.7
218	161	Isis Group	166	+1	15.0	9.0	12.8	13.1
122	101	Jackson Group	121	—	5.6	4.5	8.1	6.1
345	278	James Burrough	343	−2	15.0	4.4	10.8	10.8
98	85	James Burrough 9pcPf	97	+1	12.9	13.3	—	—
95	61	John Howard and Co.	61	—	5.0	8.2	4.8	7.6
1200	670	Minihouse Holding NV	1070	—	5.9	0.6	46.7	44.4
82	32	Robert Jenkins	70	—	—	—	9.1	20.0
34	28	Scruttons "A"	30	—	—	—	—	7.7
87	66	Torday and Carlisle ...	69	—	5.0	7.2	3.5	6.3
370	320	Trevian Holdings	330	—	7.9	2.4	6.9	9.1
53	25	Unilock Holdings	53	—	2.1	4.0	14.4	14.1
175	93	Walter Alexander	175	—	8.6	4.9	9.9	12.1
226	195	W. S. Yeates	200	—	17.4	8.7	6.7	9.8

Imperial shareholders should look at both offers and compare notes.



Faced with the choice of Hanson Trust or United Biscuits, which company will give you the best return on your shares?

For those of you uncertain of the future, it's in your own interest to consider past history.

If you had put £1,000 in United Biscuits back in 1980, your investment would now stand at £3,360.

If, on the other hand, you had put £1,000 in Hanson Trust back in 1980, your investment would have risen to £13,962.

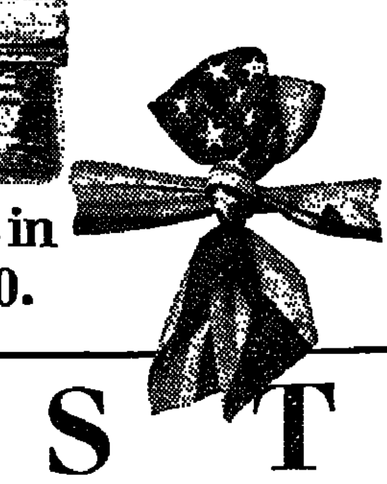
Hanson Trust's record of growth in profits, earnings per share and dividends has, in fact, remained unbroken for the past 22 years.

Yesterday, United Biscuits' best and final offer valued your Imperial shares at 361.1 p.

Hanson's at 378.5p.

Which makes our offer better by 17·4p.

Accept the Hanson Trust bid before the next closing date of April 11.



£1,000 invested in Hanson Trust in 1980 would now be worth £13,962.

£1,000 invested in United Biscuits in 1980 would now be worth £3,360.

H A N S O N T R U S T

The values of Hanson Trust's and United Biscuits' offers depend on their respective share prices. The above offer values are for Hanson Trust's Share and convertible Stock Election and United Biscuits' Offer based on the market prices at 3.30pm April 4, 1986. The offer values take account of estimates by Hoare Govett Ltd, of the values at the relevant ordinary share prices, of the 10% convertible loan stock of Hanson and the convertible preferred shares of United Biscuits. The capital comparison is based on information supplied by DataStream and assumes £1000 net of expenses had been invested in each case adjusted for subsequent rights issues (assuming no new net investment) and capitalisation issues.

UK NEWS

Few Whitehall savings made, audit office finds

BY JOHN HUNT

A SURVEY by the National Audit Office suggests that less than half the proposed savings in government departments recommended by the Rayner efficiency unit have been accepted or implemented.

Sir Gordon Downey, Comptroller and Auditor General, says in the the survey, published today, that the effieciency scrutiny is, however, proving a useful means of examining administrative functions in Whitehall.

The audit office examined 20 per cent of the scrutines carried out under Lord Rayner (then Sir Derek Rayner) from 1979 to 1983 when he was efficiency adviser to the Prime Minister. His work has continued under Sir Robin Ibbs, a director of ICI and Lloyds Bank.

Several of the departments says they expect to carry out the savings in later years. Sir Gordon concludes, however, that half the total proposed annual savings which he examined are not expected to be achieved.

He says in the audit report: "The implication is clear — the full potential for improvement and development through successful use of scrutiny techniques can be realised only if there is commitment at the top of each department."

In the four departments which the audit offices examined —Inland Revenue, Home Office, Foreign Office and Health and Social Security — savings of £215.9m a year had been proposed. The departments had, however, accepted efficiency changes that would achieve £99m and of these only £51.3m had been implemented by 1983-1984.

The Commons Public Accounts Committee will examine the matter on April 28 when Miss Anne Mueller of the Government's management and personnel office is likely to give evidence.

The efficiency unit during Lord Rayner's term completed five programmes which resulted in recommended savings of £421m a year.

The audit office report says the time taken by departments to reach decisions varied greatly and decisions were still awaited on several recommendations.

Also, ministers did not accept all the recommendations. Some were overtaken by events and some were unacceptable for administrative reasons or because they conflicted with government policies.

In the Inland Revenue the efficiency unit identified annual savings of £49m of which £32.4m were accepted by the department and £24m achieved by 1983-84.

At the Foreign Office £3.5m savings were proposed, £1m accepted and £900,000 achieved.

At the Home Office savitgs of £39.8m were proposed £12.2m accepted and £400,000 achieved.

At the DHSS £123.6m savings were proposed, £53.4m accepted and £26m achieved.

US investment group to enter home loan market

BY JOHN EDWARDS

A FRESH source of home loans, backed by international investors, is planned by Salomon Brothers, the US investment group, it was announced yesterday.

The group is forming a wholly-owned, London-based subsidiary, the Mortgage Corporation, to offer mortgages to homebuyers in England and Wales.

The loans will ultimately be used to support sterling-denominated mortgage securities that will be sold to international investors. The idea is to create a secondary market for mortgages similar to that in the US but on an international basis.

The Mortgage Corporation intends to adopt an aggressive marketing approach, spending £3m to appeal directly to consumers. It hopes to reach a target of £500m of loans in its first year.

The mortgage rate will not be decided until next week, but it is likely to be competitive with the 12 per cent charged by most building societies. The minimum loan level will be set at £16,000.

Salomon's move reflects the increased interest by foreign banks in the UK mortage market which is considered to provide good returns on sound assets.

Earlier this wee Chase Manhattan, the third largest US bank, announced plans to commit several hundred million pounds to developing home loans in Britain. Other US banks, notably Citibank and Chemical, already offer competitive mortgage rates.

The annual rate of inflation in house prices increased to 9.7 per cent in March, according to the Halifax Building Society house price index. The average house now costs over £36,000, while new house prices rose 10.2 per cent in the year to March to an average of £42,350.

Mortgage demand continues to surge with building society mortgage offers in the first two months of 1986 35 per cent higher than a year earlier, despite increased competition from the banks.

Mortgage notes—Calculated risks, Page IV Weekend FT

Brittan hits at Tory critics of GM deal

By John Hunt

MR LEON BRITTAN, the former Trade and Industry Secretary, yesterday made a strong attack on Conservative MPs who opposed the sale of parts of BL to General Motors.

He said the GM deal had offered the best solution and warned against "spurious patriotism" and the danger of critics within the Tory party blowing the Government off course in the run-up to the next election.

"The opponents of the GM deal claimed to speak in the name of patriotism," he said. "But at times their language bordered on hysteria and throughout they generated more heat than light."

Mr Brittan, who resigned from the Cabinet during the row over Westland, was cheered for his comments at the annual conference of the Confederation of Conservative Students at Scarborough.

He agreed that the Government could not have ignored the protests over GM's attempt to acquire Land Rover along with BL's commercial vehicles division.

"But that does not mean that the protests were justified or that those who fomented them served their country well," he said. His comments will particularly upset West Midlands Tory MPs who fought to keep Land Rover in British hands.

Mr Brittan said it was a travesty of the truth to portray a sale of Land Rover to GM as a national betrayal. The Conservative party should not be bullied out of supporting what it believed in.

At the next election the Government should not succumb to pressure from those seeking to blow it off course. Conservatives had to be true to themselves and explain that a cocooned economy and society would not survive.

It was in the national interest that Britain had a viable motor industry and everyone would like it British-owned if possible.

But if the choice was between a viable concern owned by GM and operated to the benefit of British people and a concern that was constantly in jeopardy and a drain on the taxpayer, then it was in the national interests to choose the viable route.

Both Leyland and Bedford, he said, had been losing much money and prospects for the future were no better. However, if the businesses were put together there was a reasonable prospect of a viable truck industry in Britain.

"To reject that opportunity is a false kind of patriotism," he said. "It is to prefer waving the flag to looking after the real needs of this country and its people."

David Lascelles assesses the Lloyds Bank bid for Standard Chartered

Dark horse set to leap on to world arena

TRUE TO its emblem, Lloyd's Bank was a dark horse in all the takeover speculation that surrounded Standard Chartered Bank this week. But now that its £1.17bn bid is on the table, a new British banking giant could be in the making. The effect, however, will be much more on the world banking stage than in Britain's high streets because this is a deal aimed at the global market.

"This is us positioning ourselves to be more competitive internationally, and not wishing to be too dependent on the UK," said Mr Brian Pitman, Lloyds group chief executive, whose task is to overcome Standard's cool reaction to the approach he made just before lunch yesterday.

In simple balance sheet terms, the merger would create Britain's largest bank with, at the end of last year, £72.6bn in assets compared with National Westminster Bank's £72.5bn. Barclays would remain the largest profit-earner with £854m pre-tax last year against the new group's £829m.

It would also bring together two rather different creatures. Lloyds, the smallest of the Big Four, is very much in the UK clearing bank tradition with a big branch network and a solid stone-built headquarters at the corner of Lombard Street in the City.

Always priding itself on being slightly different from the other three, it cultivates an upmarket image and has gone into unusual lines of business like estate agency. It also has in its chairman, Sir Jeremy Morse, the former Bank of England and Treasury official, one of the leading "intellectuals" of the financial world.

Abroad, Lloyds' biggest business has been in Europe and, less fortunately, in Latin America where it acquired a big loan exposure through the Bank of London and South America which it bought in another big banking deal more than 10 years ago.

Although Mr Pitman has made a point of stressing quality rather than size and has driven home the need for banks to obtain respectable returns on their shareholders' funds, Lloyds smaller reach beside its clearing bank peers has been a disadvantage. This is the weakness he hopes Standard Chartered can rectify.

Chairmen facing possible merger—Sir Jeremy Morse of Lloyds and Lord Barber of Standard Chartered.

Standard, which sometimes calls itself the fifth force in UK banking, is, in fact, scarcely a British bank at all. Though housed in grand new glass and granite headquarters in Bishopsgate, its colonial origins have bequeathed it only a few dozen branches in the UK but two thousand abroad, mostly in former UK possessions in Asia, Africa and the Far East.

Since the late 1970s, Standard has been shifting the balance of its operations away from the Third World, particularly South Africa, mainly into the US where it owns Union Bank, a large bank in California, and is in the process of acquiring another in neighbouring Arizona.

Standard is also the main shareholder in the Mocatta metals group where only two weeks ago it proposed to raise its stake to 80 per cent.

For years, Standard has been contemplating ways of getting a larger foothold in the UK market. Four years ago it made an unsuccessful bid for the Royal Bank of Scotland, and more recently has been investigating tie-ups with building societies. Ironically, it is itself being sought for its overseas business.

Mr Pitman claims the combination of Lloyds and Standard would create a unique bank with licences to operate in more foreign countries than almost anybody else — many of which have stopped issuing foreign bank licences and are now closed to newcomers. Geographically it would combine Lloyds' strength in South America and Europe with Standard's in North America, Africa, Asia and the Pacific rim, allowing the combined group to bring trade partners together almost anywhere.

By coincidence, Lloyds has just sold a retail bank it owned in California, so there will be no clash there with Union Bank.

By acquiring Standard, Lloyds will also raise the share of non-UK earnings from 20 to 40 per cent, providing diversification. It will reduce those awkward Latin American loans as a proportion of its total assets. (Brazil, for example, would fall from 2.5 per cent to 2.1 per cent).

Apart from plunging Lloyds into the South African controversy, the big drawback in the acquisition is Standard's poor profit performance: a return on equity of about 10 per cent last year after tax, against Lloyd's 15 per cent.

While this might give Lloyd's reason to beat down the price, it also means Mr Pitman will have to wield the axe to make worthwhile. The treasury operations of the two banks, for example, would probably be merged, and branches closed where they overlap. There might also have to be job losses though this is not yet clear.

But it was obvious yesterday that market rumours had flushed out Lloyds' announcement before it had thought the deal through. Mr Pitman was unable to say, for example, what Lloyds would do about Standard's operations like Mocatta which are incidental to the grand design.

This type of question could still be a long way off though Lloyds is anxious to avoid the bitter public struggles that seem to have become the norm on the UK takeover scene. Unless it can negotiate an amicable deal which will ensure that Standard's ablest people are happy towork under a new proprietor, it might even call the whole thing off.

Loyalists renew attacks on RUC homes

BY HUGH CARNEGY IN DUBLIN

ANOTHER 11 attacks on the homes of Ulster policemen were reported yesterday as the campaign of intimidation by hard-line loyalists opposed to the Anglo-Irish agreement showed no sign of abating.

The campaign poses a crisis for the Royal Ulster Constabulary and the Government as the police, long used to republican hostility, find themselves in confrontation with the Protestant community to which most of them belong.

The attacks appear to be the work of loyalist paramilitaries who see the RUC as a weak link in maintaining accord. Sir John Hermon, chief constable of the RUC, and ministers have insisted that the force will not weaken, but there is concern in both Belfast and Dublin that police morale could be seriously damaged.

The RUC in Belfast said there had been almost 80 attacks on the homes of RUC members since the one-day strike against the agreement on March 3. Some houses had been attacked more than once and more than a dozen police families have been forced to move.

Police on patrol have also been targets. Early yesterday, a petrol can packed with nails was detonated by remote control and 17 shots were fired at a passing police land rover in north Belfast, although there were no injuries.

Even Lady Hermon has not escaped. Eggs were thrown at her from a large hostile crowd on Wednesday when she visited a policeman's home which had been attacked with stones in Lurgan, County Armagh.

So far, there have been few injuries. Sir John, under pressure from the Police Federation, has set up a special unit to deal with problems facing RUC men subjected to intimidation and police protection for officers has been stepped-up.

Mr James Molyneaux, leader of the Official Unionist Party, has condemned the attacks as outrageous. Yesterday Church of Ireland bishops called for them to end. But politicians from the Rev Ian Paisley's Democratic Unionist Party, while expressing regret, have declined to condemn the violence.

Many of the attacks involve gangs of youths stoning police homes. But some have been petrol bombed and others shot at, including one in which an officer was hit in the back.

Optare launches mini-bus

By Ian Hamilton Fazey

A SMALL bus company, Optare, born out of a defunct Leyland Bus plant, yesterday unveiled its first all-new vehicle, a 25-seater bus.

But it is not only the bus which is new. It is being pitched into a new British market, in which the structure of decades is being knocked away by Government deregulation of public transport.

Deregulation, opening nearly all bus services to private operators, becomes effective on October 26. Yet the traditional bus industry, already ravaged by recession and deregulation uncertainties to the point where only 2,511 buses and coaches were sold last year, still has little idea of what size and form demand for buses will take.

Optare, based in Leeds, has launched its bus in the belief that many of the 15,000-plus operators which have applied for licences will opt not for traditional single or double-deck buses but smaller more economical ones.

Its CityPacer 25, based on a Volkswagen van chassis, is designed to fill such a requirement.

The £29,000 bus, which has gone from drawing board to production in six months, has already won orders worth £750,000. Optare said yesterday it had firm statements of intent to purchase, worth another £2m.

Optare also claims that the bus, which has 70 per cent UK content, generated tremendous international interest.

The company, which employs 100, said it expects to take on many more staff as orders come in. It is based in Leyland Bus's former C. H. Roe factory, which employed 450 until BL closed it down 18 months ago. Mr Russell Richardson, 37, chief executive at C. H. Roe in the late 1970s, resigned from the coach maker Duple, based in Blackpool, to lead a buy-out of the plant.

West Yorkshire Enterprise Board provided £1.4m for the factory and took a 40 per cent stake but Mr Richardson and the current workforce have control. It is a condition of employment that each worker buys 1,500 ordinary shares at £1 each.

BL sold reluctantly. With overcapacity rife in the industry it believed the project had little chance of success. It refused to let Optare keep the bus designs C. H. Roe had been making for many years.

The buy-out was made at the end of 1984. In its first full year, in spite of no sales in the first two months, Optare turned over £1.3m by building conventional buses on bought-in chassis. Optare says the annualised turnover rate is now over £2m.

The CityPacer was developed in collaboration with Volkswagen, which has arranged for ten of its UK dealers to sell the buses.

The 20 miles-a-gallon bus is built on VW's LT55 chassis. Its style, which is striking, was created by an industrial design student at Leeds Polytechnic.

Beatles exhibition is sold

By Ian Hamilton-Fazey, Northern Correspondent

TRANSWORLD LEISURE yesterday bought the award-winning but loss-making Beatles exhibition in Liverpool from Radio City, the city's independent radio station, for £498,000. The exhibition is to be relocated immediately on the site of the 1984 International Garden Festival, which Transworld bought from the Merseyside Development Corporation two weeks ago and plans to reopen as a theme park on May 24.

The exhibition, which cost Radio City £1.5m out of accumulated profits, opened in 1984 and has hampered the station's financial performance. Previously, it had been one of Britain's most successful local commercial broadcasters. In 1983, it was the first to go public.

Last year it lost £50,000 because of an operating deficit of about £200,000 on the exhibition, which it called Beatle City and housed in an old but custom-converted building in a partof Liverpool that did not develop as planners had hoped.

It was stocked with artefacts and Beatles memorabilia bought at auction against US competition by Radio City's managing director, Mr Terry Smith, a former journalist.

Beatle City's failure has been ascribed almost entirely to its location, which required determination to find. Nevertheless, 150,000 people visited at £2 a head last year, in spite of restrictions in opening hours designed to cut costs. It won the British Tourist Authority's international award for the best commercially-run exhibition in the country.

Transworld was formed by Mr John Anton, a London property developer, with the aim of transforming the festival gardens. Its plans for the site are central to the development of tourism on Merseyside, which the Government regards as crucial to economic regeneration.

The Government's input is through the Merseyside Development Corporation, formed to revive disused docklands, and the Merseyside task force, which is manned by civil servants and private sector secondees

Cellnet drops subscription rise

BY JASON CRISP

CELLNET, British Telecom's cellular radio telephone network, has withdrawn its sharp increase in subscription charges just four days after they came into effect.

The move follows considerable pressure from the retailers, which sell its telephone service and equipment to the customer, because Racal Vodafone, the rival network, had not matched the increase, leaving a wide differential.

As a result it will take Cellnet several months longer than expected to break even and may dash some smaller retailers' hopes of improving margins. Racal and British Telecom are making substantial investments in their respective cellular radiophone services. Competition has become increasingly fierce.

Just over a month ago Cellnet announced price increases in subscription and call charges which included introducing a differential rate for London, where heavy use of the service has caused congestion.

On the day Cellnet prices were due to go up, Racal announced that it would increase only call charges, including a similar surcharge for London. This meant the fixed charge for first-year use of Cellnet was £468, which was 34 per cent higher than Vodafone's £350.

The greatest pressure on Cellnet came from its sister company BT Mobile Phone Division, which refused this week to pass on the increase, even if that meant taking a loss.

Motorola, another important retailer of Cellnet's service, pre-empted the Racal decision last week by announcing a price freeze on subscription charges.

Neither network is permitted to sell the service directly to the customer. The price war is because about 50 accredited retailers are fighting fiercely for the market, dominated by two other subsidiaries of BT and Racal.

Many of the less successful companies are expected to withdraw from the market. Earlier this week ECT Cellular bought Answercall's cellular radio customers.

Self-regulatory bodies close to merger

BY ERIC SHORT

TALKS are at an advanced stage for a merger of Nasdim, the National Association of Security Dealers and Investment Managers, and the Life and Unit Trust Intermediaries Regulatory Organisation, Lutiro, two of the self-regulatory organisations within the Investor Protection framework.

A merger announcement is expected within a few weeks.

The regulatory framework for investment protection initially envisaged seven SROs operating under the official regulatory body, the Securities and Investments Board. Sir Kenneth Berrill, chairman of the SIB, felt that ultimately there could be just five SROs.

Nasdim has been in existence for sceveral years, with a varied membership, from smaller investment managers, dealing mainly with the public, to registered insurance brokers taking membership in order to qualify for higher commission on direct untit trust sales.

Lutiro, in contrast, was one of the last SROs to set out formation. It covers independent intermediaries marketing life assurance and unit trusts.

Only the smaller insurance intermediary handles nothing but life assurance and unit trusts. Medium and large firms have a much wider range of investment services to clients, including what is defined as investment management.

The SIB has actively encouraged these merger talks.

A joint working party has been examining the feasibility and practical considerations of a merger since the New Year. It is expected to make its recommendations for a merger shortly, including a name for the combined SRO.

Maxwell hopeful on French DBS plan

BY RAYMOND SNODDY

MR ROBERT MAXWELL, publisher of Mirror Group Newspapers, took a robust view yesterday, of reports from France that the consortium he heads was about to lose its two channels on TDF-1, the French high-power broadcasting satellite.

"I have a contract with the French Government and I am sure that the Government will honour its contract. As chairman of the consortium I have received no approach from the French Government," Mr Maxwell said in a statement.

The Mirror chairman described the report as a "complete fabrication."

Last month, just before the French elections, Mr Maxwell announced that a five-nation consortium, European Satellite Television Broadcasting Corporation, would run two channels of direct broadcasting by DBS satellite.

The satellite, due to be launched in November, would cover virtually all Western Europe

The French Government is reassessing all aspects of the media policy of its predecessor, and clear indications are being given that it plans to annul the DBS agreement with six months' notice and without compensation.

The Government intends to set up a national broadcasting commission to replace the less powerful High Authority. This, it is believed, will put the DBS channels out to tender.

If the Government decides not to honour the TDF-1 agreement it is likely that the DBS partners would begin legal action.

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The values of Guinness' and Argyll's offers depend on their respective share prices. The above offer values are for Guinness' Offer, assuming acceptance in full by all Distillers shareholders of the Convertible Preference Share Election and their resultant pro rata allocation of the Guinness Convertible Preference Shares, and Argyll's offer based on the middle market prices taken from The Stock Exchange Daily Official List on 4th April, 1986.

The Offer values take account of estimates by Wood Mackenzie & Co. Limited and Cazenove & Co. of the values, based on the relevant ordinary share prices, of the Convertible Preference Shares of Guinness and the Convertible Preference Shares of Argyll.

Sources: Fortune. Datastream. Guinness Offer Documents and Internal Documents. Guinness Annual Report. Stock Exchange Quarterly Dec. 1985.

Spotting jewels in suburban high streets

Christopher Parkes assesses prospects for the sale of Zales' chain of 110 shops

MR BILL ROBBINS, managing director of Zales British jewellery shop chain, seemed rather put out by all the attention he received recently. Returning from a board meeting at the group's headquarters in Dallas, he found himself beset by inquiries — some idle and some not so idle — about his company's future.

Zale Corporation had agreed at the meeting that its restructuring in the US, undertaken under threat of takeover, would mean considerable destructuring in Europe.

"It isn't a fire sale," Mr Robbins groaned, anticipating the question he had been asked all week. The company was considering a number of ways of pulling out of its European operations, he explained. The preferred option was to dispose of the businesses by public share offerings.

Zale Corporation might keep an interest of anything up to 50 per cent, he said. "But if at the end of the day someone comes along with a cheque book and starts writing big numbers, then that would have to be considered. . . ."

No one is prepared to say how big the numbers might have to be, but the £30m acquisition of 100 James Walker shops by H. Samuel in 1984, provides a fair guide. Zales has 110 shops and 2 per cent of the market in Britain, 66 shops in West Germany and a further 20 in Switzerland.

The company's main British competitors have yet to reach for their cheque-books. For the moment they are only window shopping.

Mr Joe Phillips, chief executive of BAT Stores, part of the BAT Industries conglomerate, has called for reports from his scouts. However, he denied strong interest since the Zales outlets overlapped with his growing chain of Jewellers Guild shops. He was fully occupied, he said, with BAT's main venture in the trade through the Elizabeth Duke jewellery boutiques it has established inside its Argos catalogue shops.

BAT has an organic growth programme which soon should make it the biggest jewellery retailer in Britain, leapfrogging H. Samuel, which is still digesting its 1984 buy, and refusing to discuss the Zales move.

SHARES OF TOTAL JEWELLERY MARKET

Company	%
H. Samuel	8.9
Ratners	2.6
Mappin & Webb	2.5
Zales	1.9
Collingwood	1.6
Goldsmith Group	1.2
Time Products	1.2
Ernest Jones	1.0
Other specialist jewellers	46.8
Total specialists	67.7
Argos (Elizabeth Duke)	5.4
Department Stores	9.3
Mail Order	8.1
Others	9.5
Overall total	100.0

Source: Verdict estimates

One of the Elizabeth Duke boutiques—sparkling oases in the stark Argos showrooms.

BAT started from scratch in August 1984, and has built up a string of 25 smart new Jewellers Guild outlets, 10 of which opened late last year in time for the Christmas peak. Future developments are in preparation, but the group's base in the trade is firmly established in its Elizabeth Duke boutiques—sparkling oases in the stark Argos showrooms.

In 1979 diversification from tobacco led BAT to buy the 100-strong Argos chain for £35m. The company now has 169 stores and aims to open a further 20 this year. All but 15 have separate jewellery boutiques. This rapid growth has put BAT firmly in second place, with an estimated 6 or 7 per cent share of the £1.2bn market, compared with 9 or 10 per cent for H. Samuel.

Most jewellery retailers have benefited recently from the strong following wind which sprang up from the doldrums of recession. They suffered more than other consumer specialists when money was tight

Zales reports that sales are rising steadily after real growth of 12 per cent in 1984 which was rounded off by a surge which raised Christmas takings by 20 per cent. Sales in December were up a further 10 per cent.

The revival has worked wonders for retailers' confidence. They have joined in the high street marketing and merchandising revolution with a will, and are trying various techniques to dispel the intimidating atmosphere of the old shops

Zales introduced the no-door shop to Britain, allowing customers to walk in directly off the pavement. Ratners, currently H. Samuel's main competitor among the specialists, has successfully carved a comfortable niche by deliberately moving down market.

Collingwood, part of Combined English Stores, is close to completing a refurbishment programme costing about £25,000 for each shop. It is also developing its own discount business, Jewellery Galore—the Half-Price Store.

Ernest Jones has a striking new look for its more than 60 up-market stores using turquoise, pink and grey. H. Samuel's 400 shops have been decked out in dark blue, pink and grey. Its sales areas have been opened up to allow shoppers to inspect the goods without being shadowed by a sales person.

The difficulty for the market leaders appears to be that the Zales proposition might be too much of a good thing. Most of them already overlap in the American chain's main sales areas. Not that this should necessarily present too many difficulties. Zales operates under the Regent and Leslie Davis names as well as its own.

However, most of the leaders seem to prefer to pick up outlets in job lots smaller than the 110 in Zales' portfolio. There is no shortage of prospects. The trade is undeveloped when compared with some other retail sector where the power is concentrated in relatively few hands.

Non-specialists like Argos, department stores and mail order companies enjoy about 25 per cent, leaving almost 50 per cent in the hands of smaller independent specialists. In the past the expanding chains have tended to feed their expansionist ambitions by selectively culling this herd of lesser beasts.

More recently they have tended to open up new stores from scratch. Ratners last year extended its no-frills Terry's chain by 20 to 47 shops. This year it is concentrating on building up its main brand outlets.

Blending established outlets into a major operation is a complex process, as H. Samuel found with its Walker acquisition. The smaller chains, and even owners of single outlets appreciate the value of their assets — average shop turnover is estimtaed at about £200,000 — and tend to ask extravagant prices.

Mr Phillips of BAT, claiming he is not particularly interested himself, suspects that at least one of the other majors may be tempted to strike at Zales. BAT has proved what a newcomer to the business can do—sales and profits have risen each year since Argos came under its wing—but Mr Phillips does not think another outsider will be tempted.

However that view may be diversionary and it reckons without the reaction of the ruffled Mr Robbins. A management buy-out, he admits, is "another option."

If it does come down in the end to "writing big numbers" he and his colleagues might be able to round up the backing. He has, after all, something of a head start. Zales owns only 90 per cent of its British business. Mr Robbins is sitting on the rest.

Verdict on Retail Jewellers, Verdict Research, 54 Britton Street, London EC1M 5NA, £250.

UK Jewellery Market. European Data & Research, 222 The Strand, London WC2R 1BA. £150.

NUJ urged to discipline Wapping journalists

By Helen Hague, Labour Staff

THE EXECUTIVE of the National Union of Journalists is under increasing pressure from Broad Left supporters in the union to take disciplinary action against union members who are reporting for work at News International's plant at Wapping in defiance of a union instruction.

Complaints under the union's disciplinary Rule 18 have already been laid by individual union members against the four NUJ fathers of chapel working on The Sun, The Times, The Sunday Times and the News of the World.

Another complaint was recently laid by Mr Bernie Corbett, editor of the NUJ's paper the Journalist, against Mr Charlie Rae, industrial editor of The Sun. The NUJ executive — in session yesterday and today — is expected to consider its stance over journalists working at the new plant.

The executive has so far resisted moves to discipline Wapping journalists put forward by left-wingers on the ruling body.

The development came as print union leaders met News International for the second time since 5,500 print-workers were sacked in January when the switch to Wapping was made.

The aim of the talks is to attempt to map out ground for a negotiated settlement of the dispute.

Recognition

The National Graphical Association has declared previously that recognition for its members must form part of a settlement.

This position has been stated by Mr Tony Dubbins, the union's general secretary. Ms Brenda Dean, general secretary of Sogat '82 has not in recent weeks made public pronouncements on recognition as crucial for a deal.

The company has previously stated that it has no intention of granting the NGA and Sogat recognition rights within the new plant—and has indicated that hardship payments for those who have been sacked may be on offer.

Meanwhile, shop stewards representing drivers who work for TNT, the road haulage company contracted to deliver News International's papers, are to urge their members not to cross picket lines at Wapping and at its sister plant in Glasgow.

TNT has a closed shop agreement with the Transport and General Workers Union. An instruction by Mr Ron Todd, the union's general secretary, not to cross print picket lines has been ignored by the drivers.

● Fifty print workers sacked from News International begin a four-week "March for Jobs" from Glasgow to Wapping tomorrow.

A deputation of print union officials is to visit Australia later this month to seek support from workers on Mr Rupert Murdoch's papers there.

Pay survey sets range for Civil Service talks

BY DAVID BRINDLE, LABOUR STAFF

NEGOTIATIONS within a range of 5.5 per cent to 7.5 per cent on a pay rise for 500,000 white-collar civil servants are expected to resume after receipt by the Treasury yesterday of an official survey of pay movements in the private sector.

The survey, the results of which have not been made public, was undertaken by the Office of Manpower Economics to provide a bargaining range for this year's pay talks.

Although the Government has not yet confirmed its attitude, ministers are thought to be committed to negotiate within the range with the minority of unions which accepted the proposed long-term pay determination system which incorporates an annual OME survey.

The other unions, representing most civil servants, rejected the pay system and have already been offered a rise of 5 per cent. It would appear difficult, however, for the Treasury to discriminate against them in the light of the survey's findings.

The survey, which covers 483 white-collar pay settlements in the private sector between April 1 1985 and January 31 this year, gives two breakdowns of increases, weighted according to staff numbers.

On basic pay alone, the median rise is put at 6.25 per cent, the mean at 6.56 per cent, the lower quartile (below which fall 25 per cent of employees surveyed) at 5.5 per cent and the upper quartile at 7 per cent.

On total pay, including changes in bonus and incremental progression, the lower quartile is again 5.5 per cent, but the upper quartile rises to 7.5 per cent. The median is 6.5 per cent and the mean 6.81 per cent.

The pay system, accepted by the Institution of Professional Civil Servants and the prison officers' associations, provides for negotiations to be generally constrained within the inter-quartile range (between lower and upper quartiles) but does not specify whether the yardstick should be basic or total pay increases.

Mr Bill McCall, IPCS general secretary, said last night his union would be looking for an offer pitched at the upper quartile of the total pay range—7.5 per cent—because civil service pay levels had been eroded since 1981. A lower quartile figure would be wholly unacceptable, he said.

The spread of the inter-quartile ranges produced by OME may surprise ministers: it is broader than both a previous exercise in 1984 and a shadow evercise undertaken this year by the union-funded Labour Research Department, which produced one range of 5.7 per cent to 6.5 per cent.

Postal workers seek productivity deal changes

BY DAVID THOMAS, LABOUR STAFF

BRANCHES of the Union of Communication Workers, the largest postal union, are seeking fundamental changes to a key productivity deal for 23,000 counter staff and clerical workers in main post offices.

The deal, agreed between the Post Office and UCW officials in February, is to be considered by a special conference of the union later this month.

It offers the Post Office improved productivity and increased labour flexibility through greater use of part-timers and casuals, less rigid duty patterns, more discretion in recruitment and promotion, and more flexible interpretation of barriers between grades.

In return, workers covered by the agreement will get a once-only payment of £275—in two instalments—and 55 per cent of the savings made by the new arrangements.

UCW branches have submitted 267 amendments to the recommendation made by the union's executive to accept the deal.

It is likely that outright rejection of the package, urged by 19 branches, will be defeated, but some of the other amendments which seek to reopen issues covered in the negotiations may be carried.

The Post Office is stressing that it has no intention of reopening negotiations.

Among the main amendments being sought are an increase in and consolidation of the special payments: an increase in the share of the savings going to workers; a branch veto on the use of part-time staff; and delays in operating the new recruitment procedures.

Shipyard workers ordered to lift overtime ban

BY ANDREW FISHER, SHIPPING CORRESPONDENT

WORKERS at the Swan Hunter shipyard on Tyneside were yesterday instructed by national union leaders to lift an unofficial overtime ban at the yard, which is competing with Harland and Wolff of Belfast for £240m of naval orders.

At the same time, managers of the newly privatised yard said they were confident that next Tuesday's planned launch of the frigate, HMS Coventry, replacing that lost in the Falklands war, would not be disrupted by the ban.

A meeting last Thursday of about 2,000 skilled workers voted to impose the ban over a claim on pay and conditions. They want a rise in basic wages from £135 to £195. Management is offering £153.

Yesterday, however, national union officials instructed shop stewards to withdraw the ban until after more talks.

Mr Alex Ferry, general secretary of the Confederation of Shipbuilding and Engineering Unions, said he and other union leaders in the industry told stewards they would meet them in Newcastle next Wednesday.

The dispute has come as the Government decides whether orders for two auxiliary oiler replenishment ships should go to Swan or to state-owned Harland. Both yards need the work and have strongly criticised each other's bids.

Plan for £20m rail link to Manchester airport

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A PLAN for a £20m rail link to the centre of Manchester International Airport is to be put to Mr Nicholas Ridley, Transport Secretary, next week.

A group comprising British Rail, the Manchester Airport Authority and the Greater Manchester Passenger Transport Authority is seeking a two-mile spur from the BR Styall line to Manchester to a point inside the airport before the end of the decade. It would serve the existing main passenger terminal and the proposed £50m second terminal planned

Manchester Airport, the third-largest in Britain, handles more than 6.2m passengers a year. It is expected it will handle about 9m by 1990 and about 12m by 1995.

The airport authority, which is to be privatised, is spending £20m to £25m a year on expansion, expected to total £200m in the next 10 years.

Mr James O'Brien, BR's managing director (railways), says BR is approaching the Manchester project "using exactly the same criteria as used on the Stansted (Essex) rail link.

This means the cash must come from BR, the airport authorities and third parties, including the open capital market.

Councillor Keith Barnes, chairman of the airport authority, says he hopes to welcome rail travellers to the airport "in the not too distant future."

About £13m has been spent on extending the single runway at Manchester by 800 ft to 10,000 ft. This has allowed Singapore Airlines to start services this week from the airport and Qantas, the Australian airline to do so some time ago.

● British Airways is considering the introduction of non-stop flights between London and Hong Kong and between London and Peking.

BA said that although the recent Chinese Government decision on air services between Hong Kong and China meant BA could not pick up passengers in Hong Kong for flights to Peking, passengers from the UK could still book through-flights to Peking on BA.

Lord King, chairman of BA, said the non-stop service to Hong Kong could begin when new and improved Rolls-Royce engines were fitted to some of its 747s. The direct flights to Peking would "need to be negotiated with the nations concerned."

Air France has introduced a non-stop service once a week between Paris and Tokyo, via Siberia, supplementing the airline's seven weekly one-stop flights on the route.

APPOINTMENTS

Top economist joins County Bank

COUNTY BANK, NatWest's merchant banking subsidiary, has appointed Dr Brendan Brown as its chief international economist, capital markets, in preparation for the formation of NatWest Investment Bank. Working as a director of capital markets group, he will be responsible for introducing an economics service for institutional investors covering currency, interest rate and bond market forecasts, and advice on asset allocation between world debt markets, including internationally traded government securities and Eurobonds. Dr Brown was recently rated in the Institutional Investor magazine's survey as one of London's top international currency economists. He joins County Bank from the economics team at Phillips and Drew.

★

Mr Neil Percival has been appointed director and secretary of the ASSOCIATION OF HYDRAULIC EQUIPMENT MANUFACTURERS. He is manager, research and technical services division, Machine Tool Industry Research Association.

TV TIMES has a new advertisement and marketing director from April 14. He is Mr Frank Farmer, who joins from IPC where he was assistant managing director of the leisure activities group and a director of the European courtesy magazines group.

★

EVERED HOLDINGS has appointed Mr Timothy Grimes as assistant company secretary. He was assistant secretary at GEC. Mr Roger Smith has been appointed group accountant. He was an audit manager at Cooper & Lybrand.

★

Mr Graham Broadbridge, BRITISH CALEDONIAN'S general manager, Nigeria, has been appointed general manager, Far East, based in Hong Kong. He succeeds Mr Ranald Noel-Paton who has become group managing director of John Menzies, Scotland. New general manager, Nigeria, is Mr Tim Bellers, currently head of government and industry affairs at the airline's Gatwick headquarters. He will be based in Lagos from May 1.

★

KMG THOMSON McLINTOCK, management consultants, has appointed its first permanent financial consultant in Aberdeen, Mr Michael Yuille, who was company secretary of Pitlochry Knitwear Co and managing director of one of the group's manufacturing subsidiaries in Hawick.

★

Mr David Bolton has been appointed sales director (designate) by DORMAN SMITH BRITMAC. He joined Britmac from sister company Dorman Smith Switchgear, where he was northern regional manager.

★

Mr Michael Wynne, a main board director, has been appointed deputy managing director of GODFREY DAVIS (HOLDINGS). He has relinquished the managing directorship of Godfrey Davis (Contract Hire), but continues as a director. He has also joined the board of Godfrey Davis Portable Buildings. Mr John Lyons, deputy managing director of Godfrey Davis (Contract Hire), has been appointed managing director of that company. Mr Michael Carey, sales director of Godfrey Davis Residential Park Homes, has been made deputy managing director of the Park Homes subsidiary.

★

Mr John Goodfellow is joining QUADREX SECURITIES, a private international investment bank, as assistant director in charge of trading in the capital markets. He has come from Deutsche Bank Capital Markets where he was associate director responsible for bond trading.

★

Mr Jeremy White has become joint managing director of BRITANNIA SECURITY GROUP, with Mr Ralph Kanter. Mr White founded the White Group which was acquired by Britannia Security last September.

★

CHARTERHOUSE JAPHET, The Royal Bank of Scotland Group's merchant bank, has appointed as managing directors Mr John F. Astbury and Mr Michael R. B. Gatenby. Mr Astbury will be responsible for banking and capital markets and Mr Gatenby for the corporate finance department. Mr Paul C. Button, Mr Edward D. Glover, Mr Michael R. Hargreaves and Ms Jeanne E. Short have been appointed directors.

★

SKETCHLEY has appointed Mr Simon Bee as UK consumer divisional chief executive, Mr Tony Coles as UK services divisional chief executive, and Mr David Travis as group director of personnel.

★

Mr John R. Sclater has been appointed a non-executive director of S. & W. BERISFORD. He is chairman of The Foreign & Colonial Investment Trust and Guinness Mahon & Co. He is also a trustee of The Grosvenor Estate.

★

WARD WHITE GROUP has appointed to the main board Mr Peter George Arber, chairman and chief executive of the UK footwear and safety operating group. Mr Stephen Etheridge is promoted from sales director to managing director of John White Footwear in succession to Mr Arber. Mr Martin Towers becomes group financial controller. He was group accountant.

★

Mr Ray Jackson has become Corby's new director of industry. Previously deputy director of industry, he succeeds Mr Fred McClenaghan, who is now marketing director for the Northern Ireland Airports Authority.

★

The following appointments have been made in the C. E. HEATH GROUP: C. E. Heath & Co (Insurance Broking)—Mr P. C. Methley, additional director; C. E. Heath UK Broking—Mr R. L. Walker, additional director; C. E. Heath & Co (International)—Mr A. G. Needham, Mr B. S. Palmer and Miss M. Ross, associate directors; C. E. Heath & Co (London)—Mr R. J. Cowling, Mr J. W. M. Houston, Mr R. G. Ross and Mr A. J. Warman, assistant directors; C. E. Heath & Co (LMX)—Mr I. K. Frisby, additional director, and Miss V. L. Lazarus an assistant director; C. E. Heath & Co (North America)—Mr A. C. Marsh and Mr N. G. L. Woods, associate directors; C. E. Heath & Co (Reinsurance Broking)—Mr D. M. R. Butler, associate director, and Mr G. P. Goode, assistant director; and C. E. Heath & Co (UK)—Mr C. A. Pavely, associate director.

★

SATELLITE TELEVISION has appointed Mr Paul Le Druillenec as financial controller. He replaces Mr Chris Bevis, who is leaving to launch his own accountancy practice. Mr Le Druillenec was financial controller and company secretary at Radio Luxembourg (London).

★

CASH FLOW MANAGEMENT CONSULTANTS has appointed Mr John H. Goodman as sales and marketing director. He was chief executive of the Institute of Sales & Marketing Management.

★

BRITANNIA ARROW HOLDINGS has appointed Mr David Stevens as a director.

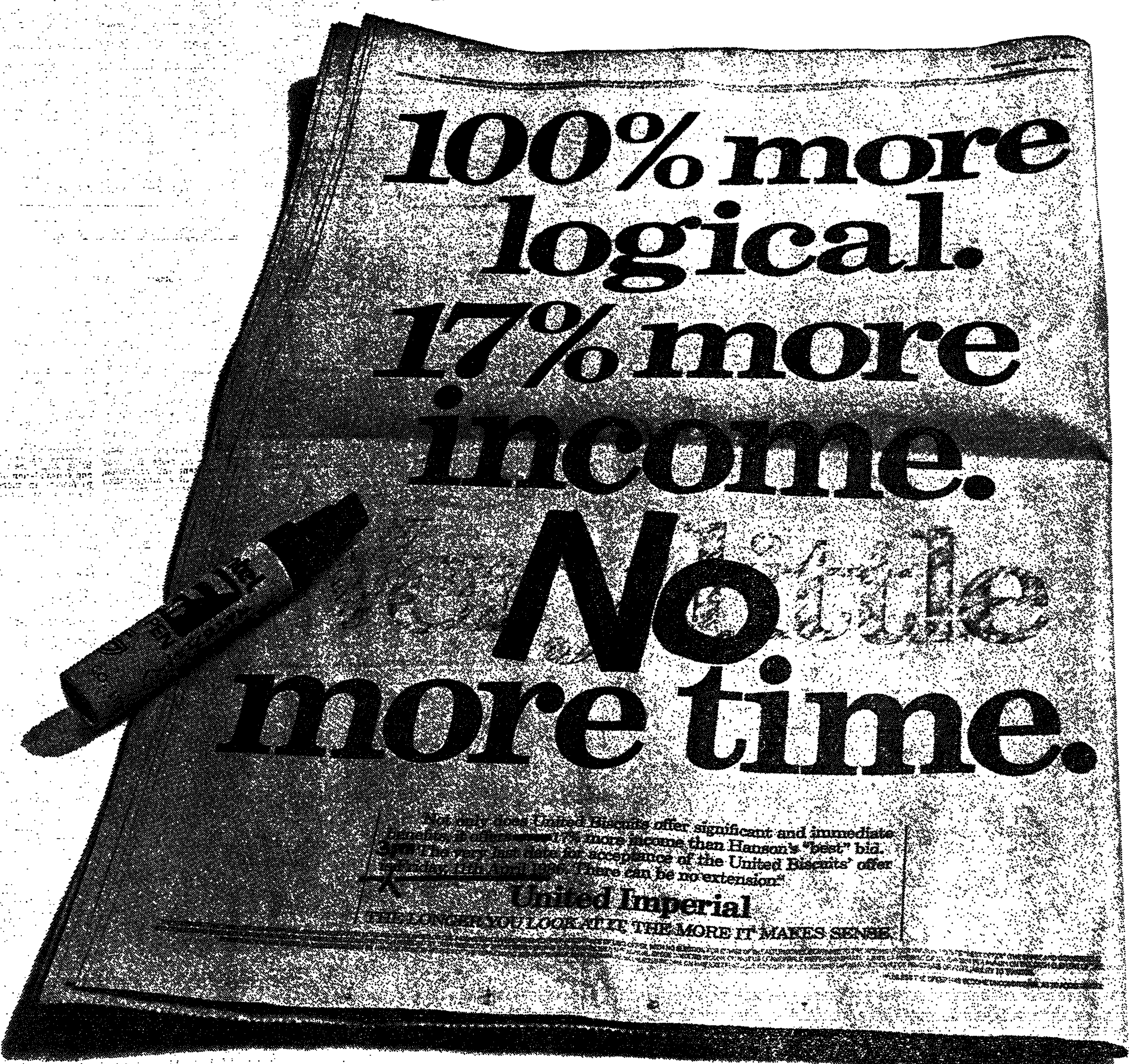
★

Mr Dennis Beath, Mr Christopher Brader and Mr John Richards have been appointed directors of WOOD MACKENZIE & CO.

★

Mr Derek Langley has been appointed RACAL-CHUBB board member responsible for the group's Midlands companies. Under the move, Mr Langley takes board responsibility as chairman of the Chubb Safe Equipment Company and Chubb Security Installations, in addition to retaining his position as managing director of Josiah Parkes & Sons (Holdings) and chairman of the Chubb Lock Company, C. E. Marshall (Wolverhampton), Union Locks, Albert Marston & Co and L. & F. Willenhall.

The UB offer for Imperial.



Final acceptances for the UB offer must be received by 3pm Friday, 11th April 1986.*

United Imperial

THE LONGER YOU LOOK AT IT, THE MORE IT MAKES SENSE.

THE STATEMENT THAT UB'S OFFER GIVES IMPERIAL SHAREHOLDERS 17% MORE INCOME IS BASED ON THE INCOME THAT CAN BE RECEIVED FROM ACCEPTANCE OF UB'S OFFER, WITH NO ELECTION FOR EITHER OF THE ALTERNATIVES, COMPARED TO THE INCOME UNDER HANSON TRUST'S "BEST OFFER" (THE SHARE AND CONVERTIBLE STOCK ELECTION). THE CALCULATION HAS BEEN MADE USING: THE GROSS DIVIDENDS FORECAST BY UB IN RESPECT OF THE 53 WEEKS ENDING 3RD JANUARY, 1987; THE ANNUAL GROSS DIVIDEND INCOME ON NEW UB CONVERTIBLE PREFERRED SHARES; A RATE OF INTEREST OF 11% (GROSS) PER ANNUM ON THE CASH ELEMENT OF THE CONSIDERATION; THE GROSS DIVIDENDS FORECAST BY HANSON TRUST IN RESPECT OF THE YEAR ENDING 30TH SEPTEMBER, 1986; THE ANNUALISED GROSS INCOME ON HANSON TRUST'S 10% CONVERTIBLE STOCK; AND TAKING NO ACCOUNT OF FRACTIONS OR ANY LIABILITY TO TAXATION.

*UNLESS THE OFFER HAS BECOME UNCONDITIONAL AS TO ACCEPTANCES.

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Hazards of merger mania

FINANCIAL MARKETS, if not industrial economies, are living in extraordinary times. The City is simultaneously enjoying a raging bull market, experiencing a spasm of takeover activity that has few historical parallels and preparing for the regulatory turmoil of the Big Bang in October.

The combination of a frenetic reshuffling of corporate assets and a transformation of the way business is done in the square mile creates a sensation of dreamlike unreality.

Take this past week for example. Another twist to the Allied-Lyons/Elders IXL battle as the former proposes a complete transformation of its business by agreeing to pay a mere £1.25bn for the wine and spirits division of Hiram Walker, the Canadian energy group; Hillsdown Holdings, the food processing group, unveils a £486m bid for S&W Berisford; Dixons, the electrical retailer, emboldened by its absorption of Curry's in 1984, launches a hostile £1.75bn bid for Woolworth.

To cap all this, yesterday Lloyds Bank announced its intention to acquire Standard and Chartered. What next? Will Barclays bid for the Bank of England?

Fluctuations

In more normal times, merger and acquisition activity on so grand a scale would seem exciting, even shocking. But after the surge of takeovers in the past 18 months, the London *market is fast losing its capacity* to be surprised by boardroom announcements.

In the short run almost everybody seems to gain from takeover mania: banker, stockbroker, institution — even Aunt Mabel in Worthing — can all rejoice as commissions, underwriting fees and capital gains come rolling in. But will they be rejoicing in the longer run? Decisions taken in the heat of the moment, after a few days of analysis, will determine the commercial future of great hunks of British industry.

Does Allied-Lyons really want to become a quite different business? Can Woolworth really be worth £1¾bn bearing in mind what it would have gone for a few years back? More generally, can it be right that industrial power is being gained and lost on the basis of tiny fluctuations in the share prices of bid contestants when the whole market may be grossly overvalued?

On one view, all that is being witnessed is the operation of an efficient market. True, the shuffling of existing fixed assets is no substitute for organic growth. But it is not meant to be. The purpose of takeovers is to ensure that corporate assets end up in the hands of those that can manage them best.

If an acquired company does perform better under new management, this is just as real a gain for the economy as tangible new investment. Existing assets are worked harder. The apologists for takeover mania may add that it has been accompanied by quite respectable organic growth: fixed investment in the UK economy has been healthy in recent years.

History also suggests that what is happening is not quite as extraordinary as it seems. Adjusted to 1985 prices, the value of takeovers and acquisitions was about £11bn in both 1968 and 1972. Last year, by contrast, the value of bids was only £7bn.

This year the £11bn record may be bettered but even this may not be so remarkable given the lack of activity in the late 1970s and early 1980s. This may be just the feast that follows the famine: between 1974 and 1983 the total value of takeovers and mergers (in 1985 prices) was £19bn; the corresponding figure for 1964 to 1973 was £58bn.

Temptation

There is some reason to believe that higher takeover activity is a natural concomitant of a return to seemingly durable economic growth and much lower inflation. The rosier economic climate has dramatically increased business confidence and the booming stockmarket has made many companies feel wealthy.

Of course, in a buoyant market cash bids are more expensive and paper purchases quite possibly no cheaper (because the share price of the target may have risen almost as fast as that of the bidder): the difference is *that businessmen are readier to* take risks. Hence corporate restructuring occurs as in 1968 and 1972 in sudden bursts.

This said, there is still plenty of room for concern. The confident takeover merchants of the early 1970s had no inkling of what was about to befall the world economy. Today, there is a curious and surely unsustainable gap between the rising return on capital and the falling cost of equity. The balance between organic growth and acquisition seems to have moved too far towards the latter. The temptation to project brilliant past profit growth indefinitely into the future can be hard to resist. But perhaps most worrying are the very short-term time horizons that seems to dominate so many decisions.

The time may have come for the City institutions with ultra-long-term liabilities to start to take a longer-term view of what is good for the economy.

WORLD SHARE PRICES

In the heat of the oil-fired markets

By Anatole Kaletsky

IT IS the kind of investment opportunity that comes only once in a generation.

The world today stands on the threshold of an unprecedented era of steady prices, political stability and uninterrupted growth. Oil producers have just made a gift of $100bn a year to the rest of humanity; and there are conservative governments in power at every turn, to guarantee that business holds on to its share of the economic windfalls in a way which proved impossible even in the 1960s — the last great decade of prosperity around the world.

At a time like this, there should only be one fear in the mind of the long-term investor — the fear of being left behind in the rush to buy a stake in the approaching golden age.

All over the world investors are going crazy.

*

The stage is being set for the greatest financial panic since 1929. Stock market bulls are running wild, stampeded by a credit explosion which makes the inflationary boom of the early 1970s sound like a firecracker. Financial liberalisation, instead of stimulating productive investment, has simply inflated the prices of existing assets. Now groundless euphoria about the death of Opec is blowing up this speculative bubble to monstrous proportions.

The fall in oil prices is merely distracting attention from the underlying reality of flagging economic growth around the world. Eventually the truth will be impossible to ignore. And, as in 1929, the higher prices rise in the bullish frenzy, the deeper the fortunes of unwary speculators will ultimately be buried when the markets collapse under the weight of their hopes.

IT IS usual in economics to believe that the truth lies somewhere between any two extreme positions. But as financial markets around the world hit new peaks almost daily, this standard disclaimer is becoming harder to maintain.

Since the beginning of 1985, major stockmarkets have risen, in dollar terms, by anything from 48 per cent in the case of Wall Street to 160 per cent in Germany and France and no less than 290 per cent in Milan. And all but two of the 15 biggest stockmarkets in the world —Singapore and Hong Kong— are at, or within 5 per cent of, their highest levels. Clearly, the investor who plunges into shares *after* that kind of bonanza must have more than just strong nerves—he must have pretty confident views about the world's economic prospects.

He must, in practice, believe in some version of the "non-inflationary golden age" scenario.

With the collapse of oil prices, this is admittedly becoming somewhat more plausible. Expectations for growth and inflation in the next two years are improving almost daily as the oil price plunges. For example, DRI, a leading economic forecaster, predicted that the US, Germany, Japan and France would each gain between 1 and 2 per cent of GNP over a two-year period if oil prices stabilised at $10 a barrel instead of $25. Inflation in all these countries would also be reduced to negligible levels for the next two years. On this, like most other econometric models, even Britain would enjoy a slight acceleration of growth.

With that kind of macroeconomic performance, most commentators believe that inevitable microeconomic dislocations — in the Texas banks or the oil exporting debtor countries — could be taken care of. According to Mr David Hale of Kemper Financial Services, for example, cutbacks in US oil industry investment could take 0.8 per cent off the US growth rate in the current quarter; but this will be more than offset by much faster growth in non-oil economy by second half of this year. Even if the short-term difficulties should prove to be more intractable, the marked improvement in inflation prospects should enable worldwide interest rates to be cut rapidly — and give economic policymakers plenty of room for manoeuvre in dealing with the casualties of the oil slump.

To make matters even more encouraging, the distribution of benefits from lower oil prices should improve the balance of economic growth around the world. The greatest immediate stimulus should be felt in Japan and Europe.

As a result, Germany, which has been an economic laggard throughout the recent recovery, should grow by 3.5 to 4 per cent this year and Japan, where the economy has been slowing alarmingly in the past few months, should be able to rebound to the 3.5 to 4 per cent level by 1987.

Even in Britain, the collapse *of oil prices has been remarkably bullish*—if only because it seems to have proved once and for all that oil is of limited importance to the economy and the "petrocurrency" risks of sterling had been much overrated.

It would seem, then, that the *bulls have the better of the* argument almost wherever in the world one looks.

Yet the very power of the bullish sentiment around the world could be its own undoing.

Two related reasons for this might seem to be well known.

> ‘But what if there is no golden age? What if cheaper oil simply allows the world economy to muddle through the next few years on its present middling course?’

The fact that the investors persistently choose to overlook them is one of the telltale signs of a bull market which has run out of control.

The first is simply that cheap oil is a dangerous basis on which to build optimistic expectations. Nothing that has happened in the past few years has broken up the concentration of 70 per cent of the world's oil reserves—and nearly all of the world's *surplus* oil production capacity—which lies in the hands of a few Middle Eastern producers. This is the situation which made the creation of the Opec cartel possible in the first place and there is good reason to expect that Opec will be reformed to push prices higher sometime in the not too distant future.

The second obvious cause for concern *is related to this.* The fall in the oil price will give a boost to the world economy; but if the price should settle somewhere around recent levels, the boost may do little more than offset the marked *deterioration* in several key countries' economic performance which was becoming apparent by the second half of last year.

Largely as a result of an oil price assumed to stabilise at $15 a barrel instead of $20, the IMF is now understood to be predicting growth of 3 per cent in the industrialised countries this year instead of 2.8 per cent in its previous projection, which assumed a $20 oil price.

Only six months ago, when oil prices were well above the $20 mark, the IMF forecast growth of 3.1 per cent notwithstanding. In effect, what has happened in the past six months is that the fall in oil prices has roughly offset the depressive effects of non-oil forces in the world economy: above all, the weaker than expected performance of the US economy and the abrupt slowdown in Japanese and German export growth which has resulted from the 30 per cent fall of the dollar against these countries' currencies since last September.

If it is assumed that the underlying slowdown in world economic growth which seemed to be in prospect before the collapse of oil prices was just a temporary phenomenon, there is nothing too worrying about this argument. Cheaper oil, provided it stays cheap, can then be seen as just the temporary stimulus which the world economy required to keep it on its track to prosperity.

It may be, however, that the slowdown which was occurring was far more serious. If it reflected structural weaknesses in the world economy—and particularly the problems of finding new sources of economic growth *during the long period* which it will take the US to correct its huge balance of payments and budget deficits—Opec may be providing nothing more than a temporary reprieve for the financial markets. For cheaper oil is a one-off boon, both for growth and inflation. If it simply provides *a pretext for delaying* the improvements in economic policies which are still required to keep the world economy on a healthy long-term course, the third oil shock is unlikely to usher in the new golden age which the markets seem to be expecting.

But what *if* there is no golden age? What if cheaper oil simply allows the world economy to muddle through the next few years on its present middling course?

If anything less than strong non-inflationary growth with steadily rising corporate profits should actually come to pass in the next few years, the current level of equity markets will prove difficult to justify. If they do prove unsustainable, the danger of a real crash, in which the financial markets pull down the real economy in a mutually reinforcing collapse, is today far greater than usual.

Worldwide concern about the US government's budget deficits and the developing countries' debt problems, both of which could aggravate the world's economic problems if a loss of financial confidence were to overcome the *bond* markets and push up interest rates, has largely distracted attention, from another, related, danger—the explosion of private debt in the US. This has increasingly been exercising the Federal Reserve Board and could undermine economic growth in the event of any severe setback in the *equity* market.

Private debt, especially in the US, has risen to levels exceeded only in one decade this century —between 1928 and 1938. Last year US private non-financial debt stood at 170 per cent of gross national product, compared with levels which never fluctuated outside a 135 to 145 per cent range from 1950 to 1982.

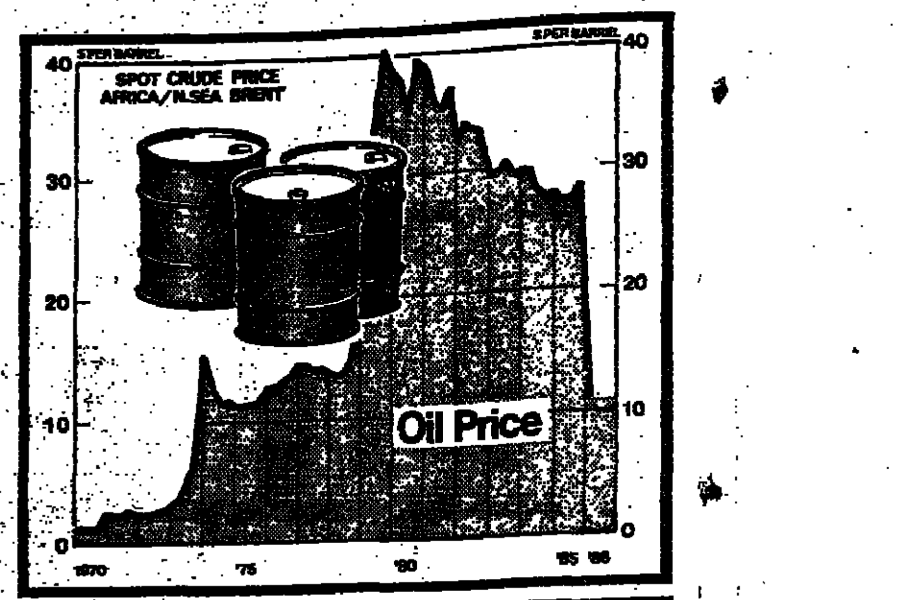
Significant proportions of this debt are related directly to the boom in asset values. Homeowners, farmers and energy companies are not the only ones who can get into trouble when they borrow on the back of rising asset prices which subsequently collapse. Stockmarket values, in turn, have been supported by takeover bids which have been financed by ever-more precarious pyramids of borrowing.

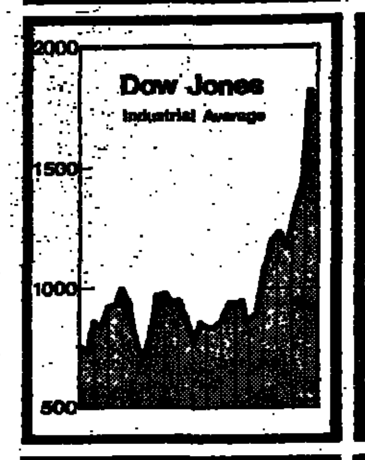
Until recently, the few remaining bears in Wall Street believed that a jump in interest corporate structures, which rates would topple these new sometimes seemed to defy financial prudence or industrial logic. Grant's Interest Rate Observer, one such respected commentary, even coined a nickname for this fear. Focusing on Mr Ted Turner, the television mogul and celebrated exponent of highly leveraged takeover raids, Grants coined a slogan for this danger: "The Ted Turner Imperative — rates will have to rise far enough to bust Ted Turner."

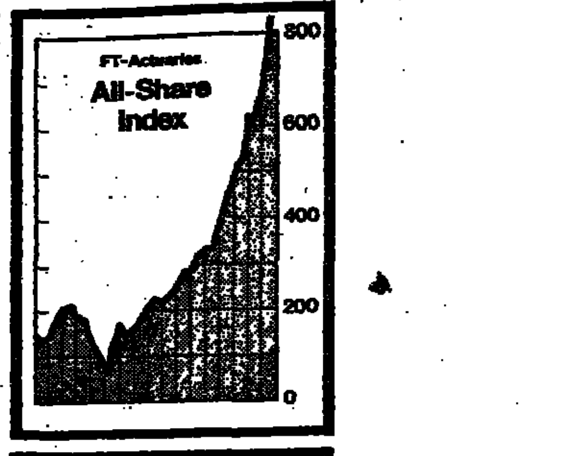
Today a jump in interest rates *may seem* less likely, but the Ted Turner Imperative could come to pass in another way. As falls in interest rates have lagged behind declining inflation, *real* interest rates have risen and over-leveraged companies which hoped to pay off their debts in *devalued dollars could again be in trouble.*

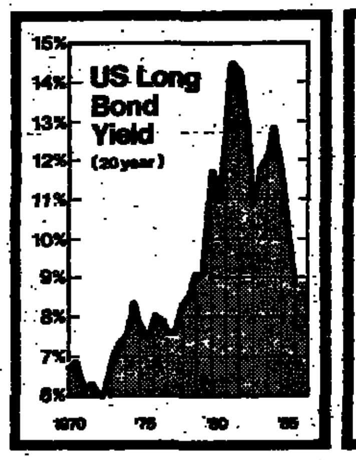
At present, however, such anxieties are definitely a minority interest. Recently one of the bluest of blue-chip investment banks on Wall Street circulated a paper suggesting that many US corporations are seriously under-geared because they have failed to take advantage of their rising equity prices to raise more borrowings.

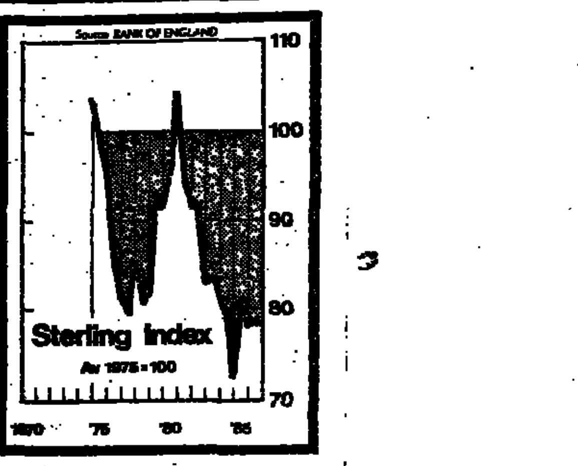
With this kind of talk in the air, it is clear how a sharp setback in the stock market could send the credit system and the whole of the world economy into a tailspin — shades of 1929.









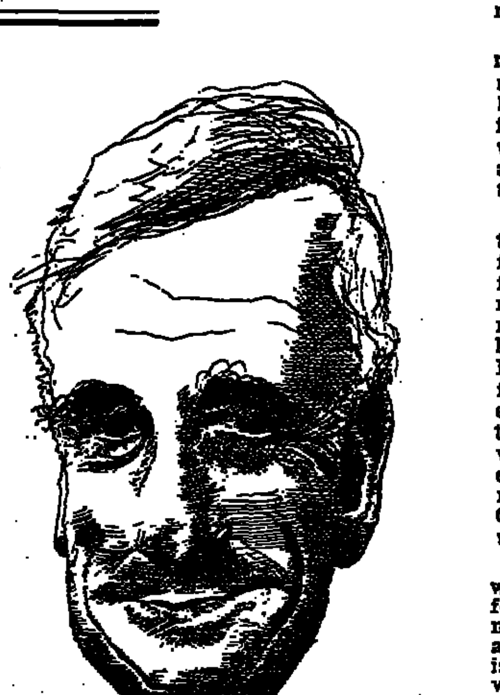


Man in the News

Stanley Kalms

Portrait of a Woolies' shopper

By David Churchill



STANLEY KALMS has recently spent a lot of time wandering around Woolworth stores in *Britain.* "They are a shambles," he bluntly asserts.

Coming from most other leading British retailers, these words would barely deserve comment. But from Mr Kalms —the normally reticent chairman of the Dixons Group—they are a sure sign that his £1.75bn bid this week for control of the Woolworth group promises to be a long and bloody takeover battle.

If Mr Kalms succeeds—and his many admirers in the City still have mixed views about that—he will have created one of the largest retail empires in post-war Britain. The combined Dixons/Woolworth group would have annual sales of some £2.5bn, employ 60,000 shop workers, own over 1,700 stores, and sell a wide range of goods out of 15m sq ft of sales space.

Even if he fails this time to get Woolworth, the fact that he has even reached a position where he can mount such an attempt is a testimonial to what has been one of the classic success stories in post-war British retailing.

Now 54, silver-haired and stocky, Stanley Kalms joined his father's photographic busines *immediately* after the war at the age of 16. His father was a portrait photographer in Southend who also owned a small camera shop in Edgware in north London.

The young Kalms sensed that portrait photography was likely to become a thing of the past and suggested, instead, that they try to sell the cemaras themselves. A modest start was helped, so the story goes, by the sale of a £240 sound projector — part of a window display the young Kalms was putting together late one night.

A tap *on the window from* a passing couple attracted his attention and he eventually found himself selling the projector to these unusual late-night shoppers. "It gave us the confidence we needed," remembers Mr Kalms. "We knew *at last* that we had done the right thing in moving over to retailing."

The business went from strength, capitalising on the public's desire to take their own snaps even if the results were rather less professional than portrait photography. When domestic camera sources proved too expensive or unreliable, Kalms was among the early *British retailers* to spot the opportunities available in the Far East. It is a source of products which he has successfully exploited, not only in cameras but also in audio and video equipment and, increasingly, in other high-tech gadgets.

Dixons growth, however, has not been without its problems. A major diversification into retail chemists with the acquisition of the 200-strong Westons chain in 1976, for example, proved a disaster and Mr Kalms was left with egg on his face when Dixons was forced to dispose of the stores in 1980.

But Mr Kalms's ability to change gear, keep just ahead of changing consumer tastes, and stay close behind the risk-takers in retailing has made the difference in the long-run.

In the competitive retail conditions of the 1980s, the Dixons' concentration on the rather unglamorous essentials of retailing such as store location, stock control, and merchandising at the point of sale, has proved an effective and attractive combination. The fripperies of trendy retail design consultants —the hall-mark of others such as Sir Terence Conran and Mr Ralph Halpern — are treated with some contempt by Kalms and his colleagues.

Kalms's operating style is in *marked contrast to the flamboyance* of Conran and Halpern, who have done much to re-shape British retailing in the 1980s. "I couldn't do what Ralph and Terence do in terms of publicity," he candidly admits. "It's simply not my style."

Kalms eschews a high profile, even to the extent of having no entry in Who's Who. He is a typical workaholic, spending what little spare time he has in promoting the cause of Jewish education—which he regards as "a private matter"—and reading for relaxation. "But I find business very *fulfilling,* so I don't need to have challenges in my spare time," he adds.

He drives his tightly-run management team hard from a rather spartan, anonymous office block in Edgware. "We are professionals with a clear idea of where we are going and how to achieve our aims with sound techniques," he explains.

Most executives seem to enjoy this tight operating style and few leave the team. But one former manager now with a rival chain suggests that Kalms is "rather autocratic, a sort of benign despot." *Certainly,* Dixons showed no mercy for the former Currys directors and top executives following the bitter takeover struggle late in 1984 when the electrical chain was eventually acquired in a close-run contest. Virtually all the top Curry management team left *within weeks of the takeover.*

Mr Kalms's opposition to the worker-director proposals put forward by Lord Bullock in the mid-70s inspired him to write a stormy letter to the FT. "This is the first cause for which I would be prepared to go to the barricades, and if unsuccessful into exile," he wrote.

His desire to take on the problems of Woolworth is not, he maintains, simply a thirst for power. "We've got a very good and excited team here which need further opportunities to exploit their ideas and skills," he says. "We've already proved what we can do with Currys and now they want to get on and do it again."

Yet the challenge posed by Woolworth may be rather more than even Kalms and his team can handle. If it were a simple matter of "retail engineering" —to use Kalms's favourite phrase to describe how he operates—*the Woolworth problems* would have been solved long ago.

What many observers feel Woolworth needs is a rather more sophisticated marketing approach, requiring the sort of flair that a Conran or Halpern can provide but which Kalms ostentatiously lacks. In the final analysis, the City institutions on which the fate of the bid depends may expect something more from Mr Kalms than he can deliver.

Jimmy Burns offers his impressions at the end of 4½ years in Argentina

Mr Alfonsin sows the seeds of hope

FUTURE HISTORIANS may well judge that the dramatic events of the past 4½ years in Argentina marked a turning point—comparable, for example, to the country's independence from Spain in 1810, the first military coup in 1930 or the rise of Peron in the 1940s.

My posting there began over lunch in the grill room of the Carlton Tower Hotel in London early in January 1982. An Argentine Embassy official urged me to look forward to better steaks, and a tranquil co-existence with an essentially pro-British community. He added that his country was being guided towards democracy "some time in the distant future" by the enlightened and responsible pro-Western rule of General Leopoldo Galtieri and his military junta.

Gen Galtieri was, in fact, that very moment putting the early pieces together for an invasion of the Falkland Islands which was to take place three months later.

The war, measured in deaths and days, was a small affair by comparison with other conflicts, like that in the Lebanon. But it had a traumatic effect on Argentina for whom a thousand deaths in contemporary battle had no precedent, and where surrender at the hands of a former ally sparked off a collective crisis of identity.

The defeat of the armed forces on the fields in and around Port Stanley made the subsequent national assault on the military inevitable. For most of Argentina's previous history the armed forces were virtually inseparable from the nation state, and so what ensued turned less into a confrontation between opposing bands than a collective catharsis.

Many Argentines had for years turned a blind eye to a painful reality. Now they dug into their recent past and found unmarked graves filled with skeletons, clandestine torture-chambers, and eye-witness accounts of horror on such a scale that Argentine Jews were reminded of Hitler.

The horror was perhaps no better synthesised for us than in the New Year of 1984. Near the flat where we were staying, the zoo was closed when bones were discovered near the main animal cage. The newspapers reported: "Doctors are sifting through the bones to see if they can identify the human ones."

The trial last year and subsequent condemnation of the juntas, accused of torturing and killing thousands of civilians following the 1976 coup, had no precedent in contemporary history. At Nuremberg, the Nazis were tried by foreigners and not by Germans; in Greece, where the Colonels were put on trial, civilian society had never had such a long tradition of military involvement in local politics—there were thus fewer risks.

Statistics, meanwhile, tell their own almost unbelievable story of Argentina's recent economic history. Prices between January 1982 and February 1986, increased by 59,000 per cent. During the same period, the local currency devalued against the dollar by 59,000 per cent. Small wonder then, that Argentina, along with Mexico, has provided much of the anxiety for international banks which have lent money to Latin America, seemingly pulling back from the brink of default which had been brought about by the chaotic state of its finances on at least two occasions.

The miracle, though, is that Argentina has survived these political and economic crises with a minimum of social upheaval and that the state, for all its inherent weaknesses, remains more or less intact.

Much of the credit for this must go to Mr Raul Alfonsin. Formerly a little-known provincial lawyer who preferred dancing and good food to politics, Mr Alfonsin grasped the political initiative once the Falklands war had ended. At a time when most Argentines were disorientated and deeply depressed, he offered a ray of hope to those who felt the building of a new Argentina was possible, and launched himself into a presidential campaign before the military had officially declared it open.

The opposition Peronist Party looked to the past by resurrecting the late General Peron as its candidate and the military faction, plotted against each other. By confronting the military and the unions, the lawyer from Chascomus blasted the taboos of the past 50 years.

His presidency has since proved an entirely new phenomenon in Argentine politics. No politician or military figure has been able to match his charisma, and yet he has not turned his resulting popularity into demagoguery.

Mr Alfonsin remains a man deeply committed to parliamentary democracy and determined to consolidate Argentina's image.

On the domestic front, the manner with which he has handled the restoration of democracy was epitomised by the Solomon-like sentencing of the juntas in the human rights trial. By condemning the worst culprits and acquitting the less guilty, Mr Alfonsin disappointed the human rights activists and still angered sectors of the military which have never thought themselves guilty of anything.

Abroad, Mr Alfonsin has held back from defaulting on his country's $48bn foreign debt—last month he told the more radical President Alan Garcia of Peru that confronting US imperialism and creditors was not a solution; he ended a century-old territorial dispute with Chile over the Beagle Channel; and resisted all nationalist pressures to match Mrs Thatcher's perceived intransigence over the Falklands with a fresh military adventure.

Old taboos die hard, however. In a country where history has been dominated by strong-armed "Caudillos" backed by a deeply-entrenched corporate structure of armed forces, unions, and conservative church, the Alfonsin phenomenon has proved difficult to digest.

Mr Alfonsin himself is privately aware that in his strength as a strong leader lies the potential weakness of the system he is trying to create. For all his commitment to the "politics of votes," parliament has so far proved a weak support.

So overshadowed is the ruling Radical Party by Mr Alfonsin's personality that it appears incapable of fostering a successor: in parliament Radical deputies copy Mr Alfonsin's gestures and phrases but rarely produce proposals of their own.

The Peronists, meanwhile, have produced a new dissident movement less tied to the neo-fascism of the late Peron and which tries to emulate the political composition of a British Labour Party with the unions as their power base. But one cannot talk today in Argentina of a responsible opposition with any real alternative programme.

Quite apart from lacking a leader who commands wide support, Peronists still periodically convey the irrational limits to which Argentine politics can go in their rhetorical nationalism.

The vacuum in parliamentary life often gives the impression that without Mr Alfonsin the democracy he is trying to build would collapse like a pack of cards.

Three bastions of the old Argentina still loom large in the background. The military may have been cut down in size by the Falklands, the human rights trials, and sweeping defence cuts — but there is still a widely held view in the army that the nation somehow owes them a favour.

Union power may also not be what it was — continued economic crises have meant a shrinkage in the traditional labour stronghold in industry — but the unions have staged five general strikes since Mr Alfonsin came to power and are threatening another one this month which could run for 36 hours.

The Church is still fighting a rearguard action against Mr Alfonsin, although it came close to being politically discredited as a result of the collaboration of many bishops with the military regime. Bishops have equated the lifting censorship and the emerging rights for women and homosexuals with pornography. They have also resisted attempts by Parliament to review the current ban on legal divorce dating back 100 years.

When he came to power, Mr Alfonsin boldly predicted that his country could at last look forward to 100 years of democracy. He has succeeded in eradicating some of the scepticism and much of the fear that previously characterised life

But the battle between the old and the new has yet to be resolved. Strangely enough, I think I will miss the passion of Argentine politics.

South Africa's indaba

Searching for the middle ground in Natal

By Anthony Robinson

GOOD NEWS is a rare commodity in South Africa these days. This week's call from Bishop Desmond Tutu for the international community to impose "punitive sanctions" on the country, and further violence in Vosloorus and other townships, has provided fresh evidence of frustration and polarisation.

But the search for a middle ground is not yet over.

The opening on Thursday in Durban city hall of what promises to be a lengthy "indaba" between the whites and Indians of Natal province and the Zulus of the Kwazulu homeland aimed at forging a unique, multi-racial legislature for the entire province is a welcome sign that moderation is not yet dead.

Durban city hall is a carbon copy of Belfast town hall and the indaba, the Zulu word for a meeting of chiefs, is aimed precisely at seeking a formula which would spare Natal the kind of sectarian violence which has afflicted Belfast — and Beirut—and which threatens to engulf South Africa as a whole.

At present Natal, a largely English-speaking province with a heavy concentration of Indians and over 5m Zulus, is divided administratively into Natal proper, where most of the whites and Indians live in the cities or among the rolling hills of the fertile coastal sugar plantations and the black homeland of Kwazulu. The latter is a patchwork of over 40 parcels of land with its capital Ulundi in the north but many of its inhabitants squeezed into the shanty towns which form the outer suburbs of Greater Durban.

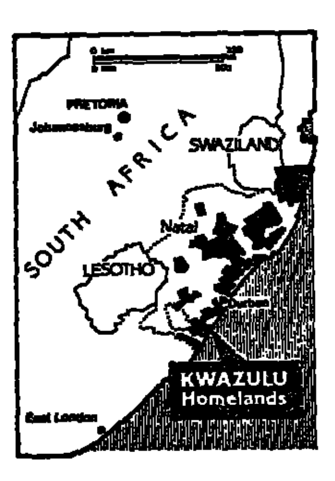
According to Chief Mangosutho Gatsha Buthelezi, chief minister of Kwazulu and one of the main architects of the plan, the aim of the indaba is to negotiate "a single legislative body to govern the combined area of Kwazulu and Natal at the second tier or provincial level in a way which would be broadly acceptable to the people of the region." The final word, however, remains with Pretoria.

Back in 1981 when the Buthelezi Commission, composed of prominent academics and local interest groups, first called for such a plan the "Kwa-Natal option" as it is known, was unceremoniously shot down by the Afrikaaner-dominated National Party government in Pretoria.

Instead, the Government pressed ahead with its own plans for a new constitution which introduced separate chambers for whites, coloureds and Indians in the new tri-cameral parliament.

Privately senior government ministers now admit that they made grave errors both in rejecting the Buthelezi Commission report out of hand and in underestimating the depth of black resentment at the new constitution. Last October, at the National Party regional congress in Port Elizabeth, President Botha indicated, in the opaque, elliptical style which accompanies hints of change in Afrikaaner thinking, that the Government was now mulling over some form of federal solution in its search for a formula to give political representation to blacks without swamping the white minority.

On January 31, when the President made his keynote speech at the opening of parliament, he declared apartheid "an outdated system" but significantly he made no further reference to a possible federal alternative. He offered blacks a new national statutory council, chaired by himself, in which black leaders would be able to discuss proposed legislation and put their views forward "at the highest level." This offer, like all previous offers which falls short of direct parliamentary representation for blacks, has thus far received no takers. But one of the President's main hopes is that Chief Buthelezi will eventually accept it.



One of the key factors which makes Natal unique is that in Chief Buthelezi whites (and other minority race groups) have a black leader, with an organised power base, who, while dedicated to the abolition of apartheid, the release of jailed and exiled leaders and other basic black demands, is prepared to recognise white fears. He is not afraid to work towards a form of power sharing which does not insist on a straight one man, one vote formula, but would include guarantees to prevent the swamping of minorities.

This is what the Kwa-Natal option is all about. Sadly, but predictably, radicals from both left and right have spurned the invitation to take part. These range from the ANC, the UDF and the black consciousness Azapo movement on the left to the Conservative Party and even further right-wing Herstigte Nasionale Party at the white end of the spectrum.

The Government, which originally poured cold water on the whole Kwa-Natal concept, has signalled its own cautious change of heart by allowing its local national party representatives to sit in on the indaba's proceedings as observers.

The participants are prepared for a long haul. It will take at least three months, and probably much longer, to draw up an agreed formula for a joint legislative authority to present to the Government for its approval.

The unitary South African state which emerged from the 1910 act of union has always sat somewhat uneasily upon the regional, cultural, political and ethnic differences of this large and disparate country. But it provided a convenient framework for the National Party to impose apartheid uniformly throughout the country. Its attitude to the indaba's decisions will reveal whether it is serious about removing apartheid, starting in Natal and other areas where whites, blacks, coloureds and Indians are now showing their willingness to try to work together.

Letters to the Editor

Support for the Chancellor

From Mr J. Whitfield,

Sir,—In view of the critical comments which have appeared in the FT, you should be made aware of support for the Chancellor's proposals on the transferability of personal allowances between man and wife, and for the new Inheritance Tax.

Michael Prowse (March 21) completely ignores the fact that the majority of married women still work in the home, bringing up children and keeping house. It is high time it was recognised that this work is at least as hard, if not harder, than that performed by their sisters sitting comfortably in offices. It is also unpaid, but of inestimable value to the community, and it is only right that such women should be entitled to a personal allowance, and that if they cannot use it then it should be available to the husband for the benefit of the family.

Mr Prowse makes the extraordinary statement that transferability would cause domestic rows if the wife started to work. Of course, it might do, but I can only say as someone who has been married for 40 years, that if it did the marriage should probably not have happened in the first place.

It seems to me that the whole thrust of this proposal, and of the new Inheritance Tax — so strongly criticised by Cedric Sandford (March 26) — is to bring encouragement to the family.

I am fed up with people who argue as though policy should mainly benefit those who have made a mess of their marriage, or who have children out of wedlock. It is refreshing to have government measures which will strengthen traditional family life, without which no nation can long be prosperous or, indeed, survive.

J. F. Whitfield,
4 Holiday House,
Sunningdale, Berks.

Tax land values

From Mr A. Harper

Sir,—Mr James (April 1) suggests that the Chancellor would have more scope for cutting income tax rates by shifting the incidence of taxation from labour and capital to land values.

How true that is! The point that is not widely realised, however, is just how easy it would be for a land value tax to replace income tax entirely.

All that is necessary, as a first step to this end, is to make ordinary rates allowable against income tax. In due course rates assessments would then be applied to sites only and not to buildings and finally rates would be set by market levels, not by political fiat.

To a Chancellor who fervently wishes to cut income tax and encourage enterprise and property ownership, this should sound like his dream come true.

Arnold J. Harper,
31 Russell Road,
Wimbledon, SW19.

The audit of war

From Mr Correlli Barnett

Sir, — In his otherwise appreciative review (March 22) of my book "The Audit of War," Asa Briggs asserts that it "is not a balanced history. Far too much is left out . . ." This is a heavy charge to make against a fellow historian. If Lord Briggs means that I have interpreted the documentary evidence according to a personal intellectual standpoint, I plead guilty as charged, but would argue that this must necessarily be the case with all historians, however much some may affect a "scientific" objectivity. Indeed, I have openly stated my own approach in the introduction to the book. Surely without differing personal interpretations of evidence there could be no historical debate. I have, however, striven fairly to present the contents of Cabinet committee and ministry files in the Public Record Office dealing with wartime industrial questions and with planning for the postwar era; and especially the debates in Whitehall between what I call the "New Jerusalemers" and the "corporate strategists."

As for Lord Briggs's charge that far too much is left out, I would suggest that since books cannot be of unlimited length, and since available funding cannot permit authors to take unlimited time over producing a book, it is inevitable that a historian will have to select his topics, which must mean excluding others. The topics mentioned by Lord Briggs as excluded or too thinly covered still do not seem to me very relevant to an analysis of Britain's capability as an industrial society during the Second World War which is intended to cast light forward on its competitive performance in the postwar era. Thus the incompetence of Nazi management of the German war economy (referred to, but not dissected) compared with the general success of Whitehall management of the British war economy has nothing to do with comparative technological capability at the operational level of firm and factory; and in particular, since the Nazi system collapsed in 1945, cannot serve to illuminate the relative performances of British and German industry in the postwar era. And while it is true that women do not feature as a topic in themselves (again, I still cannot see the relevance), they are mentioned as a principal source of the unskilled or semi-skilled new labour so stubbornly resisted by the craft unions in defence of their privileged "ownership" of some part of an obsolete method of production.

Much as I admire Ernest Bevin, it was Kingsley Wood who spotted at the outset the fundamental flaw in the Beveridge plan for a welfare state which has resulted in the present funding crisis: that it depended on a deficiency grant from the general taxpayer "which will grow in the course of time to immense proportions," and which would be "in good or bad times alike, a prior charge upon the national resources . . ."

Correlli Barnett.
Churchill College,
Cambridge.

Fame and Industry

From Mr I. Baillie

Sir,—In this Industry Year the usual complaint is the British just are not interested in industry and commerce. Presumably one test of interest is the ease one can find out about people in industry and commerce.

Using stories in the Financial Times which mention the chairmen/managing directors of industrial/commercial groups, we have recently tried to identify these persons in "Who's Who". The search was confined to companies in the top 500.

On average less than half of these major industrialists appeared in "Who's Who". As might be expected on the first 100 companies the hit rate was 75 per cent but the next 100 was 46 per cent and the next hundred was 25 per cent. Moreover, in many cases after the top 100 the apparent reason for inclusion was career prior to joining commerce or industry as a chairman. Usually the MD or chief executive in those cases was not mentioned. This contrasts with the very high percentages for even minor diplomats, civil servants, and members of the Church and academics in certain universities.

Since the Editors of "Who's Who" do their best to identify people of influence and interest to their readers, it must be assumed that the leadership of a major part of our industry and commerce is not interesting (or influential) given that allowance must be made for stability in the list. One could see this as compared to entertainers and politicians but not in relation to some of the other groups who are represented almost completely. One cannot blame "Who's Who" but only the UK attitude to business.

Iain C. Baillie.
52-54 High Holborn WC1.

Extremes of commission

From Mr C. Brownlow

Sir,—I would like to add a view to the commission argument. Most references in the Press have been made to standardisation and disclosure of commission. Little comment has been made on the structuring and choice of product. This can have a marked effect on a client's "value for money" and conversely the intermediary's commission — for example: 1) Choice of normal retirement date for executive and personal pension. The difference between age 70 and 60 can add commission worth 23 per cent of the annual premium or, looking at it another way, double the commission for a client aged 50. 2) Choice of single and annual premiums. Contributions for a client aged 50 to an executive pension plan, even if normal retirement date of 60 is used, could earn an intermediary £4,600. If the contribution is split between annual and single premiums the commission would be £2,600.

Thus, taking points 1) and 2) together the same client with the same premiums could earn an intermediary between £2,600 and £9,200 depending on the way the contract is structured. And this assumes Life Offices Association rates only. Choice of company could further increase the differential.

Choice of product can also have a significant effect on intermediary's commission. Take a 30-year-old client wishing to invest £100 per month in a savings plan. He has several choices. 1) Whole of life or universal benefits plan: commission could be as much as £1,440. 2) Maximum investment plan: Choice of term say 10 or 20 years will effect this. Commission could be £345 or £690 depending on term chosen. 3) Unit trust savings plan: With no front end loading the intermediary could expect to receive £3 per month. Twenty per cent commission is offered by a few unit trust groups for their plans and is far better value than £1,440 commission for a whole of life.

We all have to make a living, but are not the extremes too diverse? If commission disclosure is required, will the less ethical intermediary declare the real earnings or a "constructed amount"?

Claude Brownlow,
Winsec Financial Services,
100a Church Road,
Tiptree,
Colchester,
Essex.

Stansted as a gateway

From Mr G. Woodling

Sir,—Your review of London's airports (March 24) concluded that one of the main goals was to develop Stansted as a scheduled service airport.

Your article overlooked the need to make Stansted an attractive alternative gateway for frequent travellers into the London area. The development of more frequent services to many European destinations is long overdue and Stansted would be a valuable hub. SAS and BA acknowledge the uncomfortable overcrowding of limited Scandinavian services, let alone the loss of business time, for instance, entailed in flying to Helsinki at inconvenient hours. If travellers are to have the option of flying through Stansted, they need to be sure of fast connections to either Heathrow or Gatwick from where they may have departed (and left their cars!).

It seems obvious that the latent demand for orbital transit, now demonstrated by the M25, makes it imperative that the three airports should be linked by a western high speed transit. This should stop at Watford for connection to Birmingham International which, as I found recently, can cater for those returning very late in the day. Heathrow would link to the western region mainline route. Routeing all passengers to and from central London does not cater for the new pattern of passenger demand in the south east.

The orbital transit link would offer the added benefit of stimulating demand for inter-city rail services from those living in the M25 corridor. Perhaps such co-ordination of services to meet traveller demand is too much to ask for. Let us hope British Rail can take the initiative, to help solve our airport dilemma.

Geoffrey Woodling,
SRI International,
12-16, Addiscombe Rd, Croydon.

UK COMPANY NEWS

Lionel Barber considers yesterday's bid for Berisford

Hillsdown's cards on the table

FOR six weeks, the City of London and Whitehall has been watching a poker game develop over the future of S & W Berisford, the commodity trading group run by the reclusive Mr Ephraim Margulies. Nine days ago a crucial new card was thrown into the game when Berisford published its long-awaited audited accounts for 1985.

For Mr Harry Solomon, joint chairman of Hillsdown Holdings, the acquisitive UK food manufacturer, it could not have come at a more inopportune moment. Having gone on a week's holiday in Cyprus with his wife, he was long on sun but short on information. "My wife told me that I must be the only person on holiday who has spent more on telephone calls than on food," says Mr Solomon, now back in London and contemplating his most ambitious business move yet.

Hillsdown's £486m bid for Berisford, unveiled yesterday, removes the uncertainty surrounding its intentions towards the commodities group, whose most valuable asset is its wholly-owned subsidiary, British Sugar. This has 50 per cent of the UK retail and industrial market combined. It also appears to resolve the question over the ambitions of Ferruzzi, the privately-owned Italian food and agricultural group, with a 9 per cent stake in Berisford.

Yesterday, Ferruzzi said that it was accepting irrevocably Hillsdown's offer, in return for a near 4 per cent in the proposed enlarged Hillsdown-Berisford group. There is talk of co-operative food ventures with Hillsdown; but this is much less than the Italians were looking for. Their grand design for dominating the European sugar market, by acquiring British Sugar, appears to have foundered on the opposition of the UK farming community and the competition watchdogs in London and Brussels.

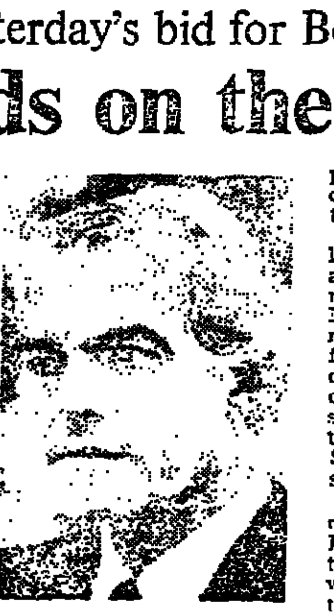
The uncertainty remains with the two other players in the poker game: Tate & Lyle, the UK sugar refiner, which holds a 9.1 per cent stake in Berisford and 45 per cent of the UK retail industrial market combined; and Mr Margulies, who has made it clear in talks with Hillsdown, Ferruzzi and Tate that he would like to retain something of his sprawling empire, possibly in the form of a management buy-out of the group's commodity merchanting and international trading business. There was talk in the stock market last night of Tate combining forces with Mr Margulies to thwart Hillsdown.

HILLSDOWN RESULTS	Turnover £m	Profits £m
1985	1,135.5	33.4
1984	983.2	18.9
1983	569.7	11.5
1982	410.8	7.3
1981	100	4.4

Mr Margulies was staying characteristically silent yesterday about his view on Hillsdown, one of Britain's most dynamic and acquisitive food manufacturing companies. The group only came to the Stock Market a year ago. Since then, it has spent £35m on buying up 20 companies, four public and 16 smaller private, involved in anything from manufacturing (Needlers) to furniture making (Christie-Tyler and Walker & Homer).

Today, its interests are almost as diverse as Berisfords. Some 128 subsidiary companies comprise poultry, eggs, canning and freezing food and vegetables, as well as contract stationery, office equipment, property trading, and retail travel agencies. It employs 19,000 people. Pre-tax profits have risen from £4.4m in 1981 to £33.4m in 1985, an annual compound growth of 66 per cent.

Berisford, by contrast, has hit troubled times. In 1981, it made £40.7m pre-tax; in 1982, the year it paid £240m for British Sugar after a bitter takeover battle, it made £54.7m; but in 1985 pre-tax profits fell 34 per cent to £53m, including a provision of £35m for losses likely to be sustained in tin trading. Moreover, contingent liabilities detailed in the 1985 amount to £130.4m, not including guarantees given to the banks on behalf of subsidiaries "in the normal course of business."



Mr Raul Gardini, chairman of Ferruzzi.

It is these liabilities sustained in Berisford's commodity trading which stayed Hillsdown's hand and led to what Mr John Jackson, Hillsdown's finance director, says was a detailed investigation of the financial state of Berisford's many subsidiaries. Until the picture cleared, Hillsdown was not prepared to move, despite what it claims are obvious fits between the two companies.

By far the strongest appeal lies in Berisford's sugar and animal feeds division, which made £62.5m pre-tax in 1985. Mr Solomon says sugar is a natural add-on to the group's fast-growing interest in meat, canned, and frozen foods and eggs. The idea is to build up supplying these food products to UK supermarkets, which Mr Solomon says is Hillsdown's speciality.

But sugar prices have sagged over the past nine months as British Sugar has allowed itself to be caught in a fierce price war with an emerging competitor, Napier Brown, and the old stalwart Tate & Lyle. Mr Solomon reckons that he can improve margins, by building up British Sugar's brand names such as Silverspoon but above all by restoring "stability" to the market.

Hillsdown's strongest card lies in its promise of stability. The fierce opposition to Ferruzzi among UK sugar farmers and Tate & Lyle arose because of fears about the Italians' motives for acquiring British Sugar. Added to its French and domestic sugar interests, Ferruzzi would have controlled 22 per cent of the European sugar quota.

While Ferruzzi was still knocking at Berisford's door, Tate was able to justify a counter-bid: better a British group controlling the UK sugar market than an Italian outsider achieving this by proxy through a dominant European market share. Tate may conclude that Hillsdown is its least worst enemy; Mr Solomon has certainly made this point, with his talk of higher sugar prices, in recent discussions with Tate.

But Tate may conclude that the break-up of Berisford may offer a last chance to unify the British sugar industry and, like Ferruzzi, think on a global sale. A bid would risk a Monopolies Commission reference—but that would give Tate six months to put its case for such a restructuring to the public and to the politicians, providing that Hillsdown was also referred. In the light of undertakings given by Berisford to the Office of Fair Trading regarding British Sugar and its position within the group, a reference could well occur.

Good Relations in talks

By Richard Tomkins

Good Relations, the fully-listed public relations company which suffered a series of executive resignations last year, yesterday announced that it was in merger discussions with another company.

It said that the discussions were at a very early stage and that another announcement would be made in due course. Its shares closed 15p up at 168p.

Good Relations refused to give any clues to the other party's identity but City speculation was focussed on Valin Pollen International, the corporate advertising and public relations agency which moved from the unlisted securities market to the main market on Tuesday. Neither Mr Reg Valin, chairman, nor Mr Richard Pollen, co-founding director, were available for comment.

Some other favoured candidates such as Shandwick, Saatchi & Saatchi, Lowe Howard Spink and Dewe Rogerson were ruled out yesterday afternoon.

Newman to stave off McKechnie approach

By David Goodhart

THE £65M bid by Midlands manufacturer McKechnie Brothers for the hardware branded products group, Newman Tonks, appears set to fail.

The final result will not be known until tomorrow afternoon, but the financial advisers to both sides concurred last night that a McKechnie victory now looks most improbable.

Mr Richard Crick of Newman Tonks' advisers, Hill Samuel, said he was "quietly confident" and added that he knew of only one major institution that had accepted the McKechnie offer.

Mr Edward Barnes, the managing director of Newman said: "We are now pretty confident of resisting this bid although, we don't want to be complacent."

Assuming McKechnie does lose the bid, it is unlikely to be too disappointed. The total costs have been a little over £0.5m, but that is partially off-set by the small profit on its 15 per cent stake which it is expected to sell quite soon.

More important, the bid has saved McKechnie from a £150m hostile bid from Williams Holdings which had made dropping the offer for Newman Tonks a condition of its continuing with its bid.

Argyll presses for hearing on breach of rules

The Argyll Group will be applying for a full court hearing of its claim that the agreed Guinness-Distillers merger breaches Article 86 of the Treaty of Rome despite the firm rejection of its plea for an interim injunction by the Edinburgh Court of Session.

Lord Jauncey concluded yesterday that there were no grounds for an interim injunction over breach of EEC competition rules.

He said he was left in considerable doubt as to facie" case as to the dominance of Distillers in its markets. Lord Jauncey also said that even if such dominance could be proved he doubted there was any evidence of the abuse of market position.

Despite the improbability of Argyll now succeeding at a full hearing it will press ahead, no doubt hoping that the pending legal action will remain a slight negative factor hanging over the Guinness deal.

Guinness's offer — which it said on Thursday would not be increased — has pulled further ahead of Argyll's in share terms. Guinness rose 10p to close at 351p valuing each Distillers share at 772p while Argyll remained static on 360p valuing each Distillers share at 732p.

Distillers yesterday released the results of a telephone survey of 4,000 private Distillers shareholders in Edinburgh and London which showed that 1,819 had either accepted the Guinness offer already or were planning to, 112 had accepted or intended to accept the Argyll offer and about 2,000 remained undecided.

Jonas Woodhead

Talks about a possible takeover of Jonas Woodhead & Sons, the car suspension manufacturer, have ceased and no offer is now expected. Woodhead's share price rose from 39p to 50p on March 25 when the announcement of a possible takeover was made but fell yesterday (Friday) by 6p to 45p.

Following a loss of £1.18m in 1984-85 the company recorded pre-tax profits of £540,000 in the half year ended September 30 1985.

Standard Fire

Standard Fireworks said yesterday it had received an approach which could lead to a bid for the company. It did not disclose the name of the potential bidder. Standard's market capitalisation at yesterday's closing price of 140p, up 25p on the day, stood at £7.87m. In 1985 the company increased its pre-tax profits to £1.3m (£1.2m) on turnover of £7.3m.

Fairey Engineering

In Thursday's Financial Times it was incorrectly implied that Pearson paid £22m to the National Enterprise Board in 1980 for Fairey Engineering—the same sum that it will provisionally receive from Williams Holdings for the company. In fact Pearson paid £22m in 1980 for Fairey Holdings. Fairey Engineering last year accounted for about one-third of Fairey Holdings' turnover.

Demerger adds cash alternative to Extel offer

BY CHARLES BATCHELOR

Demerger Corporation, the newly-created company which has made a £173m takeover bid for Extel, the business and sporting information group, yesterday announced a revision of its bid terms to make it more attractive. It also unveiled an ambitious three-part plan to expand Extel's operations.

The Demerger offer is one of the most unusual of the present spate of takeover bids. It involves the creation of a company, backed by a little-known merchant bank, Ifincorp Earl, for a long-established group.

Demerger, as its name implies, plans to break up Extel into five sparate companies and float them on the stock market. The aim is to increase the market value of the core information business, which Demerger claims has been weighed down by the less glamorous publishing, advertising and computer systems activities.

Demerger has added a cash alternative to its original offer, which consisted only of shares and loan notes.

The cash offer is worth a little less than £170m, slightly less than the original offer, but is intended to meet criticism from some City investors that it was difficult to put a value on the all-paper offer.

Demerger said it had reached agreement in principle with a French telecommunications company to take broadcasting time on a French satellite. It plans to use the channel to transmit live coverage of sporting events to bookmakers in Britain and on the Continent.

Demerger has also reached agreement with Euromoney Publications, the magazine publisher, to establish a debt-rating service covering Eurobonds, UK corporate bonds and Euro-commercial paper on similar lines to the services operated by Standard & Poor's and Moody's of the US.

Finally, Demerger has agreed with Skynet Computer Systems, a company headed by Mr Michael Rhode, Demerger's chairman, to computerise the Extel card system of company information.

Mr Peter Earl, managing director of Ifincorp, Earl, and a director of Demerger, said: "We had hoped to incorporate some of these ideas in our original bid but had to rush out our offer because we were afraid of a leak. We hope the logic of what we are trying to do will now be more apparent."

Extel responded that it remained steadfastly opposed to the Demerger bid and it advised its shareholders to take no action. It doubted Demerger's ability to finance the cash offer.

Mr Earl said Demerger had arranged for a group of institutions, most of them British, to sub-underwrite the cash offer on the lines common in the Eurobond markets.

Extel's shares rose 12p to 405p yesterday, above the 400p level of the cash offer but below the 409p value Demerger has put on its share offer.

United News sells rest of Reuters B shares

BY RAYMOND SNODDY

UNITED NEWSPAPERS, publishers of the Daily and Sunday Express and the Star, has sold its remaining limited rating B shares in Reuters Holdings, the news and information group for £76.7m.

United said yesterday it had sold its holding of 17.46m B ordinary shares to a number of institutions at 440p each. That compares with a Reuters closing price yesterday of 455p, down 10p on the day. United closed at 345p, up 5p.

United said yesterday it had sold the shares to use in its general business and to reduce indebtedness.

The sale comes at the same time as the Express Group has reached agreement for 2,500 redundancies and early retirements. The package is likely to cost about £40m. United said yesterday that the timing was coincidental.

The group once had the largest Fleet Street interest in Reuters, but in November it raised £31m through selling shares. It was then one of six leading newspaper groups which raised more than £100m by selling a block of Reuters B shares at 312p each. The disposal represented more than one tenth of the total shares floated on the Stock Exchange in 1984.

The sales of Reuter shares has often come as a welcome relief to newspaper groups facing heavy financing costs because of building new printing plants or introducing new electronic technology.

United still has a holding of 8.8m A shares.

Sears sells Central stake

BY RAYMOND SNODDY

Sears Holdings, one of Britain's biggest retail groups, has agreed to sell its 20 per cent stake in Central Independent Television for 13m.

The shares have been placed with about 20 institutions, none of which will hold more than 5 per cent. The sale is conditional on the approval of both the Central board and the Independent Broadcasting Authority, but both are expected to endorse the change.

Sears bought its stake in May 1983 for £7m when the share price was 140p, and sold at 255p. Sears had wanted to buy the entire 51 per cent stake in Central then held by ACC, but the IBA would not let the company buy a controlling interest.

Mr Geoffrey Maitland Smith, chairman of Sears, said yesterday the decision to sell had been taken because the company preferred to have controlling interests in its investments and that would never be possible in the case of Central. Sears had made a very good profit on the investment.

Mr Robert Phillis, managing director of Central, said yesterday that the support of Sears had been greatly valued, particularly at the time of the capital restructuring of the company following the sale of the ACC shareholding in 1983.

Central will now have four main shareholders: D. C. Thompson with 20 per cent, Larbroke, 20 per cent, Robert Maxwell's Pergamon Press with 13.8 per cent, and Prudential Assurance with 5 per cent.

The sale of the Sears stake is likely to create a more active market in Central shares and help pave the way for enfranchising all the shares—and an eventual full Stock Exchange listing

Brit Arrow up to £20m

IN LINE with expectations, Britannia Arrow Holdings reported pre-tax profits for 1985 of £19.72, against £14.1m last time. Analysts had been forecasting profits of between £19.5m and £20m.

Turnover, excluding banking and insurance, fell from £576.41m to £467.26m. Operating profits from merchant banking were £10.02m, against £5.93m for eight months last time and there was £994,000 (£556,000) from insurance.

Investment management contributed £13.32 (£9.67m) and there was £1.87m (£3.87m) from investment and other income and £1.89m (£1.41m) from property.

The pre-tax figure was struck after interest charges of £5.55m (£5.79m) and group overheads of £1.71m (£921,000). There were also exceptional debits of £1.11m (£587,000) including closts of developing new UK and offshore insurance products.

The board says that the company experienced growth in all areas.

The proposed acquisition of MIM, with its expertise in pension and institutional fund management, will, directors add, complement the existing strength of the company as a diversified international financial services group.

During the period under review Britannia successfully defended itself against a bid from Guinness Peat. The cost at £2.35m, was taken below the line.

The group accounts consolidate those of the company and all its subsidiaries except National Employers Life Group, which carries on long-term assurance business and which the directors consider to be so unlike that of the rest of the group that consolidation would be misleading.

Earnings per share, before extraordinary items, were 9.1p (6.3p) basic and 8.5p fully diluted. Including extraordinaries, but before bid defence costs earnings were 14.2p (10.5p) or 12.6 fully diluted. The dividend has been raised to 4.2p (2.5p) with a recommended final payment of 3p (1.4p).

The tax charge was £4.89m (£4.04m) and minorities took £949,000 (£512,000).

● comment

After all the excitement in recent months surrounding Britannia Arrow, yesterday's annual results were something of a non-event. A margin of £200,000 over the forecast was no more than the market has come to expect, although the after tax figure was swelled by a tax charge that was lower than some had expected. The market absent mindedly marked the shares up a couple of pence to 148p; for the news that it really wants to hear—the purchase price of MIM and details of that company's profitability—it will have to wait for the egm which is pencilled in for the end of next month. None of this stops the City from guessing, and yesterday analysts were feeding on a hint dropped by the company that the acquisition would not dilute earnings. Meanwhile the identity of the holders of 20 per cent of the equity—shares sold by the thwarted Guinness Peat—remains a mystery, and one that shareholders and the company itself must be keen to know the answer to.

New trust formed by River & Mercantile

By Lucy Kellaway

A NOVEL split-level investment trust was launched yesterday by River & Mercantile Investment Management. Laing & Cruickshank are raising £14m through an offer for sale to form the new trust, which is to be called the River & Mercantile Geared Capital and Income Trust.

Like other split-level trusts, one class of shares gets the capital gain and the other gets the dividends. However, River & Mercantile has devised an unusual capital structure which entitles the income shares to one-third of the capital appreciation, while the capital shares are being offered at a 50 per cent discount to asset value.

Some 35m capital shares are being offered at 10p each, compared to an asset value of 20p, while 14m income shares being sold at 75p have an asset value of 46p. Based on the probable yields of the shares in which the trust will invest, the income shares have a prospective yield of 9.25 per cent paid in quarterly dividends, against an underlying yield on the portfolio of 8.5 per cent.

The managers intend to invest in safe, high yielding stocks, predominately in companies worth over £40m, mostly based in the UK with the balance in the US.

Threequarters of the shares have already been placed with investors, of whom one-third are private individuals.

The applications list opens on April 10, and dealings start on April 16.

● comment

Is Peter being robbed to pay Paul, or Paul being robbed to pay Peter? The answer seems to be neither: while tinkering with the capital structure of the trust clearly cannot enhance the value of the whole, it can recast each type of share so that it is better suited to the different needs of each sort of investor. The discount on the capital shares gives them the leverage that is wanting in existing split-level trusts. The income shares should not mind having to pay more than asset value as they get a look in at some of the capital gain on wind-up day, and meanwhile cannot complain at the size of the yield. Set against the usual daunting 20 years to maturity, 13 seems a lucky choice. Although River & Mercantile is a small player, it is also a solid one— its investment track has consistently been among the top one-third in performance over the past 10 years.

W. A. Tyzack ahead

W. A. Tyzack, the Sheffield-based precision engineer, maintained its recent improvement during the six months to January 31 1986 and reported an increase in pre-tax profits from £125,361 to £161,900.

After reporting regular losses between 1979 and 1984, Tyzack has picked up and has advanced steadily since.

Sales improved substantially from £3.13m to £4.39m—in the last full year to July 31 1985 they amounted to £8.73m.

The interim dividend is unchanged at 0.6p and stated earnings per share were 2.0[illegible] against 1.81p.

First half tax was £59,9[illegible] compared with £35,000, and after dividends of £30.5[illegible] (£30,000), retained profits came out at £71,500 against £60,361.

All first half figures include a full six months from Rhodes Machine Knives.

British Syphon in bid talks

British Syphon Industries, the acquisitive industrial holding company, is in advanced discussions with Marshall's Universal which may lead to it making an agreed offer for Marshalls, it was announced yesterday. Marshall's has interests ranging to self-adhesive stickers.

Shares in both companies were suspended on the Stock Exchange yesterday pending further announcement. It acquired a 25.56 per cent stake in Marshall's last November and in February was given t[illegible]

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Ben Bailey ......int	nil	—	0.25	—	0.25
Brit Arrow	3	—	1.4	4.2	2.5
Intl In Tst Jers 2nd int	6	April 21	6	10	10
Sharna Ware	1.55	—	1.55	2.45	2.45
E. T. Sutherland‡	1.87	May 30	2	3.33	3.33
W. A. Tyzack ......int	0.6	May 21	0.6	—	1.5

Dividends shown in pence per share except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.
§ Unquoted stock.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri April 4 1986 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 29%)	Est. P/E Ratio (Net)	xd adj. 1986 to date	Thurs April 3 Index No.	Wed April 2 Index No.	Tues April 1 Index No.	Year ago (approx.) Index No.	1986 High		1986 Low		Since Compilation High		Since Compilation Low	
1	CAPITAL GOODS (212) ..	736.25	−0.2	7.85	3.22	16.89	3.97	737.75	735.05	727.97	540.36	737.75	3/4	567.56	14/1	737.75	3/4/86	50.71	13/12/74
2	Building Materials (24)	844.79	+0.1	7.77	3.19	16.13	1.60	843.55	833.36	829.17	492.33	844.79	4/4	613.05	23/1	844.79	4/4/86	44.27	11/12/74
3	Contracting, Construction (28) .	1163.06	−0.7	7.84	3.80	16.92	5.65	1170.95	1163.99	1164.75	702.83	1175.53	20/3	911.08	23/1	1175.53	20/3/86	71.48	2/12/74
4	Electricals (12)	1986.50	+0.9	7.08	3.82	18.74	2.14	1969.06	1965.50	1950.57	1553.00	2090.94	20/3	1530.81	2/1	2090.94	20/3/86	84.71	25/6/62
5	Electronics (38)	1666.54	−0.6	8.81	2.73	14.92	8.56	1675.80	1691.37	1658.92	1642.11	1758.99	12/3	1387.58	24/1	2049.05	13/11/84	1229.01	8/10/85
6	Mechanical Engineering (64) ..	420.69	—	8.41	3.60	14.86	2.63	420.74	416.77	412.63	303.00	420.74	3/4	316.63	23/1	420.74	3/4/86	45.43	5/1/75
8	Metals and Metal Forming (7) ..	330.81	−0.6	7.82	5.11	18.95	0.00	332.96	329.84	331.80	193.82	335.57	20/3	241.87	2/1	335.57	20/3/86	49.65	6/1/75
9	Motors (17)	296.31	−0.5	8.03	3.22	14.75	2.81	297.94	297.13	296.91	163.78	297.94	3/4	206.50	14/1	297.94	3/4/86	19.91	6/1/75
10	Other Industrial Materials (22).	1346.68	—	6.22	2.90	19.23	11.08	1347.13	1339.01	1325.40	931.91	1347.13	3/4	993.49	21/1	1347.13	3/4/86	277.55	15/1/81
21	CONSUMER GROUP (185) .	964.79	−0.3	7.87	2.93	17.88	4.33	968.16	954.56	945.19	632.74	968.16	3/4	739.82	14/1	968.16	3/4/86	61.41	13/12/74
22	Brewers and Distillers (23) ..	968.88	—	8.14	3.15	15.65	4.15	968.90	955.82	948.78	568.18	968.90	3/4	764.25	14/1	968.90	3/4/86	69.47	13/12/74
25	Food Manufacturing (22) ..	702.63	+1.5	8.69	3.65	14.90	3.89	692.30	684.88	678.83	491.92	702.63	4/4	549.51	14/1	702.63	4/4/86	59.67	11/12/74
26	Food Retailing (14)	1942.53	+0.1	6.18	2.35	21.99	6.43	1940.13	1926.02	1924.13	1524.96	1942.53	4/4	1629.03	21/1	1942.53	4/4/86	54.25	11/12/74
27	Health and Household Products (10) ...	1596.26	−0.1	4.85	2.04	24.32	1.51	1598.52	1589.84	1589.62	987.43	1598.52	3/4	1175.61	14/1	1598.52	3/4/86	175.38	28/5/80
29	Leisure (24)	958.85	−0.5	7.46	3.64	17.43	10.07	963.36	968.51	960.46	657.12	968.51	2/4	731.17	24/1	968.51	2/4/86	54.83	9/1/75
32	Publishing & Printing (14) .	2407.02	+0.3	7.18	3.74	17.65	4.41	2399.59	2375.81	2375.43	1739.64	2407.02	4/4	1834.16	9/1	2407.02	4/4/86	55.08	6/1/75
33	Packaging and Paper (14) .	474.35	−0.4	7.54	3.30	15.96	1.89	476.21	468.95	466.42	311.05	476.21	3/4	362.52	9/1	476.21	3/4/86	43.46	6/1/75
34	Stores (44)	970.32	−1.5	5.56	2.30	24.38	1.32	984.64	948.64	926.77	590.68	984.64	3/4	707.79	23/1	984.64	3/4/86	52.63	6/1/75
35	Textiles (17)	573.44	−0.2	8.40	3.14	13.63	0.43	574.41	570.87	558.73	320.78	574.41	3/4	375.50	14/1	574.41	3/4/86	62.66	11/12/74
36	Tobaccos (3)	1156.04	−1.6	11.09	4.50	10.52	20.60	1174.33	1172.96	1161.64	888.79	1174.33	3/4	873.47	9/1	1174.33	3/4/86	94.34	13/6/62
41	OTHER GROUPS (85)	859.53	+0.3	7.94	3.42	16.03	4.78	856.61	854.25	849.75	676.34	859.53	4/4	696.16	21/1	859.53	4/4/86	58.63	6/1/75
42	Chemicals (19)	921.46	−0.7	10.07	4.34	11.97	14.93	928.35	925.11	917.63	752.46	955.30	14/3	729.24	14/1	955.30	14/3/86	71.20	1/12/74
44	Office Equipment (4)	263.65	−0.4	7.34	3.77	16.21	3.81	264.70	264.54	260.44	177.95	264.70	3/4	205.37	23/1	264.70	3/4/86	45.34	2/1/75
45	Shipping and Transport (12).	1674.28	−0.2	7.07	3.59	17.03	14.45	1677.64	1662.69	1645.45	1150.56	1677.64	3/4	1316.35	14/1	1677.64	3/4/86	90.80	29/6/62
47	Telephone Networks (2) ...	1050.03	+1.4	7.85	3.08	17.47	0.93	1035.16	1036.49	1037.82	835.81	1050.03	4/4	845.68	21/1	1050.03	4/4/86	517.92	30/11/84
48	Miscellaneous (49)	1050.21	−0.3	6.68	3.15	18.32	2.67	1053.25	1045.81	1034.36	829.94	1053.25	3/4	866.26	9/1	1053.25	3/4/86	60.39	6/7/75
49	INDUSTRIAL GROUP (483).	888.47	−0.1	7.47	3.12	16.94	4.42	889.80	881.99	874.33	628.35	889.80	3/4	691.89	14/1	889.80	3/4/86	59.01	13/12/74
51	Oil & Gas (17)	1185.43	−0.5	18.41	7.61	6.41	38.50	1191.52	1175.36	1163.65	1179.41	1196.14	20/3	1093.63	20/2	1239.75	15/2/85	87.23	29/5/62
59	500 SHARE INDEX (500) .	915.93	−0.2	8.56	3.57	14.56	7.06	917.63	909.14	901.13	674.38	917.63	3/4	727.53	14/1	917.63	3/4/86	63.49	13/12/74
61	FINANCIAL GROUP (118).	629.86	+0.9	—	4.04	—	5.90	624.02	628.72	616.62	453.26	629.86	4/4	507.50	14/1	629.86	4/4/86	55.88	13/12/74
62	Banks (7)	695.10	+3.6	16.74	4.77	8.33	12.90	670.81	681.84	689.17	432.66	707.33	20/3	517.21	5/2	707.33	20/3/86	62.44	12/12/74
65	Insurance (Life) (9)	895.93	−1.1	—	4.85	—	4.56	906.11	892.99	879.02	680.28	906.18	11/3	765.18	23/1	906.18	11/3/86	44.88	2/1/75
66	Insurance (Composite) (7) .	516.52	−0.1	—	4.01	—	4.28	517.27	502.65	491.34	338.80	517.27	3/4	403.56	2/1	517.27	3/4/86	43.96	13/12/74
67	Insurance (Brokers) (8)	1269.05	−0.5	7.11	3.64	18.74	11.87	1275.93	1267.27	1231.71	1147.47	1315.27	12/2	1159.01	14/1	1315.27	12/2/86	65.86	16/12/74
68	Merchant Banks (11)	364.27	+1.7	—	2.89	—	1.60	358.12	352.03	350.58	230.39	364.27	4/4	277.36	24/1	364.27	4/4/86	31.21	7/1/75
69	Property (51)	748.43	−0.4	5.36	3.28	24.97	1.50	751.57	749.05	744.50	627.12	751.57	3/4	635.84	23/1	751.57	3/4/86	56.01	20/4/65
70	Other Financial (25)	362.00	+1.1	7.21	4.03	16.64	1.64	357.92	354.27	352.51	286.29	362.00	4/4	287.55	24/1	362.00	4/4/86	33.29	17/12/74
71	Investment Trusts (103) ...	756.47	−0.5	—	2.87	—	4.32	759.99	756.94	753.95	594.48	759.99	3/4	633.36	14/1	759.99	3/4/86	71.12	13/12/74
81	Mining Finance (3)	330.55	+1.5	10.05	4.63	11.59	1.60	325.74	307.62	308.94	296.29	331.16	21/3	240.83	2/1	337.57	10/4/84	66.31	30/9/74
91	Overseas Traders (14)	699.46	−0.3	12.36	5.90	9.61	8.09	701.24	701.42	686.43	654.91	701.42	2/4	597.55	2/1	701.42	2/4/86	97.37	6/1/75
99	ALL-SHARE INDEX (730) ..	832.36	—	—	3.64	—	6.56	832.39	825.00	818.22	615.70	832.39	3/4	664.42	14/1	832.39	3/4/86	61.92	13/12/74
		Index No.	Day's Change	Day's High	Day's Low	Apr 3	Apr 2	Apr 1	Mar 27	Mar 26	Year ago								
	FT-SE 100 SHARE INDEX ♦ .	1709.7	−7.9	1713.2	1701.4	1717.6	1702.9	1684.0	1668.8	1653.9	1278.5	1717.6	3/4	1286.1	3/1	1717.6	3/4/86	986.9	23/7/84

FIXED INTEREST

	PRICE INDICES	Fri Apr 4	Day's change %	Thurs Apr 3	xd adj. today	xd adj. 1986 to date
	British Government					
1	5 years	122.34	−0.11	122.47	—	3.28
2	5-15 years	144.93	−0.55	145.73	—	3.12
3	Over 15 years	154.12	−0.75	155.28	—	3.61
4	Irredeemables	173.03	+0.07	172.91	—	1.82
5	All stocks	140.02	−0.43	140.62	—	3.30
	Index-Linked					
6	5 years	116.47	+0.01	116.45	—	0.81
7	Over 5 years	110.45	+0.02	110.43	—	0.91
8	All stocks	110.45	+0.02	110.43	—	0.90
9	Debentures & Loans	122.53	−0.59	123.25	—	2.48
10	Preference	84.84	+0.10	84.75	—	2.17

	AVERAGE GROSS REDEMPTION YIELDS		Fri Apr 4	Thurs Apr 3	Year ago (approx.)	1986 Highs		1986 Lows	
	British Government								
1	Low	5 years	8.37	8.30	10.87	10.26	20/1	8.21	1/4
2	Coupons	15 years	8.67	8.61	10.74	10.65	20/1	8.50	1/4
3		25 years	8.67	8.61	10.27	10.67	20/1	8.58	1/4
4	Medium	5 years	9.37	9.28	11.75	11.89	14/1	9.18	1/4
5	Coupons	15 years	9.09	8.98	11.06	11.15	20/1	8.91	1/4
6		25 years	9.04	8.94	10.48	11.02	21/1	8.84	1/4
7	High	5 years	9.40	9.29	11.84	12.07	20/1	9.18	1/4
8	Coupons	15 years	9.23	9.13	11.21	11.32	20/1	9.04	1/4
9		25 years	9.10	9.01	10.59	11.04	20/1	8.94	1/4
10	Irredeemables		8.74	8.74	10.08	10.35	27/1	8.64	27/3
	Index-Linked								
11	Inflat'n rate 5%	5 yrs	4.07	4.04	0.00	5.18	14/1	4.01	20/1
12	Inflat'n rate 5%	Over 5 yrs	3.74	3.74	0.00	3.91	20/1	3.70	27/2
13	Inflat'n rate 10%	5 yrs	3.00	2.96	0.00	4.46	14/1	2.96	3/4
14	Inflat'n rate 10%	Over 5 yrs	3.58	3.58	0.00	3.85	14/1	3.54	27/2
15	Debs & Loans	5 years	10.18	10.08	12.06	12.78	27/1	10.08	3/4
16		15 years	10.99	10.89	11.79	11.93	4/2	9.99	2/4
17		25 years	10.00	9.92	11.60	11.63	21/1	9.92	2/4
18	Preference		11.31	11.32	12.76	12.18	24/2	11.31	4/4

♦ Opening index 1702.7; 10 am 1703.4; 11 am 1709.2; Noon 1713.0; 1 pm 1711.9; 2 pm 1709.9; 3 pm 1712.2; 3.30 pm 1711.4; 4 pm 1711.2

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Telephone Networks	30/11/84	517.92	Food Manufacturing	29/12/67	114.13
Electronics	30/12/83	1646.65	Food Retailing	29/12/67	114.13
Other Industrial Materials	31/12/80	287.41	Insurance Brokers	29/12/67	96.67
Health/Household Products	30/12/77	261.77	Mining Finance	29/12/67	100.00
Other Groups	31/12/74	63.75	All Other	10/04/62	100.00
Overseas Traders	31/12/74	100.00	British Government	31/12/75	100.00
Mechanical Engineering	31/12/71	153.84	Do. Index-linked	30/04/82	100.00
Office Equipment	16/01/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72
Other Financial	31/12/70	128.06	FT-SE 100 Index	30/12/83	1000.00

† Flat yield. A new list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1986 High	1986 Low	Stock	Closing price	+ or −	Net Div.	Times covered	Gross Yield	P.E. Ratio
§160	F.P.	18/4	194	180	✠BPP Hldgs. 10p	185	—	R5.0	2.2	3.8	16.7
¶¶	F.P.	—	140	123	Chillington Corp.	132	−3	—	—	—	—
¶¶	F.P.	—	75	65	Do. Defd.	76	—	—	—	—	—
165	F.P.	18/4	196	180	Gold Greenlees T. 5p	195	+7	R2.9	3.2	2.1	21.3
§105	F.P.	18/4	165	128	Jarvis Porter 10p	135	+2	R3.3	2.5	3.4	15.6
105	F.P.	14/3	145	112	Macro 4 5p	135	−2	R1.0	6.5	1.0	20.9
§120	F.P.	24/4	140	134	✠Menvier-Swain 5p	138	—	R2.5	3.5	2.5	15.6
§145	F.P.	4/4	177	155	PPL 10p	165	−2	u2.5	6.0	2.1	18.8
‖‖	F.P.	—	900	720	Rodime 5p	720	−5	—	—	—	6.5
§80	F.P.	4/4	96	85	✠Spice 5p	96	—	u2.8	2.2	4.1	12.4
215	F.P.	1/8	234	215	Templeton Galbraith	224	−1	Q5.87c	2.5	1.9	21.0
100	F.P.	27/3	102	95	Throgmorton USM	100	—	—	—	—	—
‖‖	F.P.	—	145	118	WSL 5p	118	—	—	—	—	—
120	F.P.	24/3	238	156	Welcome	219	−8	u2.06	2.6	1.3	28.5

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1986 High	1986 Low	Stock	Closing price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	ASDA Prop. 10⅜% 1st Mt. Deb. 2011	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Aberdeen (City of) 10.5% Red. 2011	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	American Medical Intl. 9½% Uns.Ln.2011	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Brit. Land 10½% 1st. Mort. Deb.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Chillington 9¼% Com. Red. Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Devenish (J.A.) Cnv. 2nd Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Electron-H'se Cnv. Cum Red Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	FNFC Cnv. Cum. Red. Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Glass Glover Cum.Cnv.Red.Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Greenall Whitley Cum Red Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hampton Tst. 1st. Mort. Deb.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Inter-Am Dev Bk Uns Ln 2015	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Marley Cnv. Cum. Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Nationwide Bldg. Soc.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Parkfield 7% Cum. Cnv. Pref. 2005	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Samuel Props. 1st. Mort.Deb.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Security Trust Scotland Deb.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	S.E. Mort. Deb. 2010	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Ward White Cnv. Prf.	[illegible]	[illegible]

RIGHTS OFFERS

Issue price	Amount paid up	Latest Renunc. date	1986 High	1986 Low	Stock	Closing price p	+ or −
140	Nil	—	285pm	285pm	Allda Hlgs.	285pm	
[illegible]	Nil	—	70pm	55pm	Assoc. Newspapers	65pm	−5
140	Nil	12/5	35pm	19pm	Crest Nicholson 10p	33pm	+1
200	F.P.	18/4	275	265	Dufleia Hldgs. 10p	275	
207	Nil	—	52pm	35pm	Greycoat (10p)	52pm	+8
150	Nil	9/5	68pm	58pm	Heywood Williams	64pm	
[illegible]	Nil	6/5	44pm	35pm	Jacobs (W.R.)	35pm	
85	Nil	3/5	17pm	15pm	Martin (A.) 5p	15pm	−1
65	Nil	—	10pm	10pm	Pentos	10pm	
100	Nil	29/4	70pm	46pm	Thomson T-Line	70pm	
11	F.P.	25/4	[illegible]	[illegible]	Tranwood 5p	[illegible]	
70	Nil	—	76pm	50pm	WSL 5p	60pm	
425	Nil	2.5	155pm	136pm	Wolseley-Hughes	155pm	+2

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. g Assumed dividend and yield. F Forecast dividend cover on earnings updated by latest interim statement. H Dividend and yield based on prospectus or other official estimates for 1986. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. t Indicated dividend: cover relates to previous dividend; p/e ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ‡‡ Introduction. ** Issued by way of capitalisation. § Placing price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Allotment price. ✠ Unlisted securities market. ✠ Dealt in under Rule 535 (3). ✠ Dealt in under Rule 535 (4) (a).

LONDON TRADED OPTIONS

Option	Calls Apr.	Calls July	Calls Oct.	Puts Apr.	Puts July	Puts Oct.
B.P. (*565) 500	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
550	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
600	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
650	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cons. Gold (*494) 460	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
500	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
550	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds (*315) 280	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
300	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Com. Union (*314) 280	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
300	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cable & Wire (*710) 600	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
650	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
700	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
750	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Distillers (*710) 550	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
600	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
650	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
700	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
G.E.C. (195) 180	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
220	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met. (*418) 330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
420	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
I.C.I. (*944) 800	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
850	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
900	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
950	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Sec. (*313) 280	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
300	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Sp. (*219) 180	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
220	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell Trans. (*768) 700	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
750	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
800	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trafalgar Hse (*325) 300	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
Brit. Aero (*586) 460	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
500	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
550	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
600	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BAT Inds (*393) 330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
420	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Barclays (*549) 460	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
500	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
550	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
600	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Brit Telecom (*274) 220	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
240	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
260	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
280	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Imperial Gr. (*357) 300	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LASMO (*140) 130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
140	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
160	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lonrho (*295) 240	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
260	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
280	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
300	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
P.&O. (*543) 420	135	148	—	1	2	—
460	95	108	117	1	3	10
500	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
550	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Racal (*190) 160	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
180	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
220	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
R.T.Z. (*769) 600	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
650	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
700	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
750	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vaal Reefs (*$69) 60	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tr 11¾% 1991 (*£109) 104	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
106	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
108	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tr 11¾% 03/07 (*£125) 118	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
122	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
124	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
126	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls June	Calls Sept.	Calls Dec.	Puts June	Puts Sept.	Puts Dec.
Beecham (*389) 300	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Boots (*280) 240	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
260	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
280	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
300	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BTR (*432) 420	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
460	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
500	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bass (*830) 750	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
800	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
850	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
900	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Blue Circle (*685) 600	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
650	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
700	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
De Beers (*$740) 700	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
750	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
800	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GKN (*353) 330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Glaxo (*1035) 900	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
950	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1050	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hanson (*186) 180	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
220	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jaguar (*438) 390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
420	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
460	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
500	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Thorn EMI (*470) 420	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
460	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
500	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
550	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tesco (*378) 300	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls Apr.	Calls May	Calls Jun.	Calls July	Puts Apr.	Puts May	Puts Jun.	Puts July
FT-SE Index (*1662) 1575	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1600	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1625	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1650	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1675	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1700	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1750	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

April 4 Total contracts 22,539 Calls 16,598 Puts 5,931 *Underlying security price.

INTL. COMPANIES & FINANCE

Puma plans public issue on Frankfurt exchange

BY PETER BRUCE IN BONN

PUMA, West Germany's second largest producer of sports shoes and a rapidly growing competitor in the international sports and leisure clothing markets, announced yesterday it plans to issue shares on the Frankfurt stock market.

The company, which boosted turnover 30 per cent last year to DM 2bn ($840m), did not say when it planned to make its first public issue and gave no details about the kind of stock it would be offering. The flotation is to be led by the Deutche Bank.

Puma was founded by Mr Rudolf Dassler just after the Second World War, and had sales of only DM70m in 1974 when he died. His son, Mr Armin Dassler, now heads Puma. Through aggressive marketing in West Germany and abroad—particularly in the US—he has made the company one of the top five sports shoe producers in the world.

Puma's main competitor, Adidas, is headquartered in the same small Bavarian town, Herzogenaurach, just outside Nuremberg. Adidas, the world's biggest sports shoe producer with a turnover last year of DM4bn, is run by Mr Dassler's first cousin, Mr Horst Dassler. Their fathers parted company following a row after the war and the two groups have been fierce rivals ever since.

Adidas, closely followed by the US producer Nike, grew much faster than Puma throughout the '60s and '70s, particularly through use of sponsorships and the licensing of production in Third World countries. Puma has in recent years begun to catch up.

This has been achieved through competitive pricing policies and more sophisticated marketing. The group has also, somewhat belatedly, moved into textiles and now earns 30 per cent of its revenue through clothing.

Mr Armin Dassler, the Puma chief, has been considering going public for some time. Puma is thought to have reached the limits of the kind of expansion it could finance itself, despite its successes in the markets, and the chairman, now 57, has been concerned to plan well ahead for his succession.

Mr Dassler, whose three sons work for Puma, owns 70 per cent of the business, while his brother, Gerhard, owns the remainder.

It was not clear yesterday whether Mr Dassler plans still to hand over his 70 per cent stake to his sons. Like many recent flotations on the German markets, Puma may choose to issue non-voting preference stock. Mr Dassler insisted last year that the group would need strong management once he retired, and said he had told his sons that their progress in the company could not be automatic, and would be judged on merit.

Schindler hit by exchange rates

BY WILLIAM DULLFORCE IN GENEVA

SCHINDLER, the Swiss gift manufacturing group, has reported a 4.5 per cent fall in consolidated net profit to SFr 46.4m ($23.3m) in 1985 after a 4.2 per cent decline in turnover to SFr 1.87bn. The parent company, however, showed an improvement in net earnings from SFr 14.2m to SFr 15.3m.

The board proposes to pay shareholders, for the sixth year running, unchanged dividends of SFr 12 a registered share and participation certificate, and SFr 60 a bearer share, making a total payout of SFr 11.8bn on the share capital, expanded by last year's one-for-eight scrip

The slump in turnover stemmed from changes in exchange rates, particularly the fall of the dollar against the Swiss franc: in local currency terms sales increased by 5.3 per cent.

Sales in Schindler's main lift and escalator business, translated into Swiss francs, were down by 5.3 per cent to SFr 1.63bn, while other products declined by 3.8 per cent to SFr 246m.

A similar pattern occurred in order bookings. The value of new orders showed a fall of 8.4 per cent to SFr 1.95bn, but just topped the previous year's volue, if the currency effects are ignored.

At SFr 1.67bn, new orders for lifts and escalators were in Swiss franc terms 8.7 per cent below the 1984 volume.

Tesoro Petroleum faces $300m bid

By William Hall in New York

TESORO PETROLEUM, a Texas oil and gas producer with extensive operations in Bolivia, Turkey and Indonesia, has received a takeover bid worth more than $300m, from Cavalcade Asset Corporation, a New York investor group.

Mr Michael J. Levenson, Cavalcade's president, has offered a package of cash and securities, said to be worth between $20 and $25 for each of Tesoro's 13.7m shares. The offer was announced at the end of trading yesterday. Tesoro shares closed ¼ up at $11¼.

Cavalcade, which is being advised by Dean Witter, is offering $5 a share in cash, a unit issued by Cavalcade-TSO, a master limited partnership (MLP) which will be formed to own Tesoro's refining, marketing and transportation division, and notes issued by the MLP valued at $5 a share.

Following the acquisition of the refining, marketing and transportation division by the partnership, Cavalcade will proceed to liquidate most of Tesoro's remaining assets and terminate its pension plan to reduce debt. This will help position the partnership to provide maximum distributions to the limited partners.

Cavalcade notes that several oil and gas companies have already reorganised themselves into MLPs. The group says that since the MLP is a cash flow-driven vehicle, with a market value mainly dependent on its yield characteristics, and the stability of its cash flows, it is expected that the proposal, if accepted, would measurably improve the value of Tesoro's refinery assets and thus enhance stockholder values.

Selenia profits fall despite higher sales

By James Buxton in Rome

NET PROFITS of Selenia, the Italian state-controlled maker of radar, missiles and other electronic equipment, declined by 27 per cent last year to L15bn ($9.2m) compared with L20.6bn in 1984.

Sales were up by 17 per cent at L700bn, and orders rose by a similar percentage to reach L800bn. The company said that progress was satisfactory, but said that it had suffered from exchange rate fluctuations.

Selenia is a subsidiary of Stet, the telecommunications and electronics holding company of the IRI group.

● Savers put L443bn into Italy's 43 unit trusts last month, this brings to L13.054 bn the total invested in unit trusts in the first three months of this year. In the whole of 1985 the inflow of funds was L16.000bn.

Unit trusts, which are a major factor in the continuing rise of the Milan stock exchange, had a total net worth of L37.900bn at the end of last month.

BSC to dispose of Canadian steel stake

By Bernard Simon in Toronto

BRITISH STEEL Corporation plans to sell its 50.1 per cent interest in Slater Steels, the Canadian special steels maker, as part of a C$70.2m (US$50.3m) cash offer by a group of North American investors for all Slater's shares.

BSC said yesterday that the joint venture formed by Peterson, Jacobs and Harding, a New York investment firm, and two members of Toronto's Fingold family intend to offer C$13.50 for each of Slater's 5.2m outstanding common shares.

The offer will replace a previous bid of C$11.50 a share plus subordinated debentures of C$3 a share. The new offer is subject to the completion of financing arrangements and legal formalities.

The Fingold family sold control of Slater to BSC in the early 1970s. Based in Hamilton, Ontario, Slater also has plants in Quebec and Indiana.

Mixed trading results for two Belgian retailers

BY OUR FINANCIAL STAFF

GB-INNO-BM, Belgium's largest retailing group, has reported a 2.4 per cent increase in net profits for 1985 to BFr 975m ($20m) from BFr 952m the previous year. Sales rose 2.2 per cent to BFr 147.1bn, and the company is proposing to pay an unchanged dividend of BFr 215 per ordinary share.

Parent company sales at BFr 133.6bn were virtually unchanged from the previous year, reflecting stagnation in retail sales throughout Belgium as well as the impact of closing down some unprofitable outlets.

By contrast Delhaize, Belgium's second largest retail group, has reported a 22.5 per cent drop in net profits for 1985, from BFr 1.1bn to BFr 852m, caused in large measure by its difficulties with its US supermarket subsidiary, Food Giant, of which 51 per cent has now been sold.

This reflected a $9.5m loss at the US company, compounded for the parent by foreign exchange losses. Group sales for Delhaize rose 11 per cent to BFr 187bn, and the dividend is to be raised to BFr 125 from BFr 115. A one-for-five share split will also be proposed to shareholders.

Australian stock markets bring back short selling

BY LACHLAN DRUMMOND IN SYDNEY

SHORT SELLING is to be reintroduced to Australian stock markets from Monday, after a 15-year ban on such deals where the vendor, expecting a fall in the price, has yet to buy the shares.

The ban was imposed after market debacles developed when short sellers were cornered in two tiny speculative mining companies, Antimony Nickel and Northland Minerals.

The sanitised form of short selling to be allowed in future will limit the number of stocks able to be shorted to 58 companies, each with a capitalisation of more than A$100m (US$71.6m) and with more than 50m shares in issue.

Sharp reverse for Tan Chong Motors

By Wong Sulong in Kuala Lumpur

PRE-TAX PROFITS at Tan Chong Motors, which distributes Nissan cars in Malaysia and Singapore, plunged by 73 per cent to 18.1m ringgit ($7.2m) last year as the company felt the full impact of the regional recession, the introduction of the Malaysian National Car and a stronger yen.

Turnover fell 7.5 per cent to slightly over 1bn ringgit. Profit after tax declined by 71 per cent to 10.8m ringgit.

Tan Chong, which had been the market leader in Malaysia and Singapore for the past decade, said trading conditions for the current year are not expected to improve, with the Malaysian car, the Proton Saga, carving a far bigger market for itself and the sharp appreciation of the yen against the ringgit.

Since the beginning of the year the yen has appreciated more than 40 per cent against the ringgit, and this is unlikely to be fully recovered from the market, as car prices are controlled by the Government.

After an interim dividend of 1 per cent, Tan Chong is not making a final payment. It paid 4.5 cents (amounting to 18.1m ringgit) in dividends for 1984.

ECONOMIC DIARY

TODAY: EEC Finance Ministers begin two-day informal meeting, Gotmarsum, Netherlands. Foreign Ministers of Contadora Group meet in Panama seeking negotiated settlements to Central American conflicts.

TOMORROW: Welsh SDP conference, Llangollen. Mr Caspar Weinberger, US Defence Secretary, in Manila for talks with new Philippines government.

MONDAY: Two-day FT conference opens on technology and the new securities markets, Hotel Inter-Continental, W1. Burmah Oil final results. Bank for International Settlements monthly meeting, Basle. Public inquiry into Dounreay nuclear re-processing plant, Thurso.

TUESDAY: EEC Council of Research Ministers and Internal Market Council, both meet in Luxembourg. Lonrho annual meeting. Algemene Bank Nederland annual report. Danish Finance Minister makes statement. IMF interim committee/world bank meetings start in Washington (until April 11). Mr Weinberger visits Thailand. February credit business. Final figures for February retail sales. Housing starts and completions in February.

WEDNESDAY: Hanover trade fair opens. Heineken annual report. Provisional estimates of monetary aggregates for mid-March. February advance energy statistics. London and Scottish banks' March monthly statement.

THURSDAY: Fulham by-election polling day (result due Friday). Mr Weinberger visits Australia. Rio Tinto-Zinc Corporation final results. Fourth quarter financing of the Central Government borrowing requirement. UK banking statistics for the fourth quarter. Fourth quarter money stock.

FRIDAY: British Institute of Management conference on creating wealth in the 90s, introduced by Mr Geoffrey Pattie, Minister of State for Industry, speakers include Mr Walter B. Wriston, chairman of President Reagan's economic policy advisory board, at Bowater House, SW1. Hawker Siddeley final results. Deutsche Bank annual statement. March provisional figures of vehicle production. Building societies' figures for March. February final figures of car and commercial vehicle production. Usable steel production in March.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$350	30	6.50	—	—	37	26.50	$335.80
GOLD C	$370	51	2	9	9	5	17 A	"
GOLD C	$380	91	0.90	—	—	—	—	"
GOLD C	$400	—	—	40	4.10	—	—	"
GOLD P	$290	—	—	40	3.20	—	—	"
GOLD P	$300	7	2	55	5.50	—	—	"
		June		Sept.		Dec.		
SILVER C	$550	18	15	—	—	—	—	$515
£/FL C	Fl.375	15	14.50 B	1	15.50 B	—	—	Fl.390.95
£/FL C	Fl.380	20	11 B	1	13	—	—	"
£/FL C	Fl.385	20	8	—	—	—	—	"
£/FL C	Fl.390	12	6.80	—	—	—	—	"
£/FL P	Fl.375	25	5.20	—	—	—	—	"
£/FL P	Fl.380	25	7.70	—	—	—	—	"
$/FL C	Fl.250	77	19.50 B	—	—	—	—	Fl.269.95
$/FL C	Fl.260	132	12 B	32	13.50	—	—	"
$/FL C	Fl.265	134	8.80	14	11.50	2	12.80	"
$/FL C	Fl.270	80	6.40	5	9	7	10.50 B	"
$/FL C	Fl.275	79	4	1	6.80 B	—	—	"
$/FL C	Fl.280	115	2.60	7	5	—	—	"
$/FL C	Fl.285	22	2.20	11	3.70 B	—	—	"
$/FL P	Fl.250	17	2	21	3.80	2	6.20 A	"
$/FL P	Fl.255	22	2.50	—	—	—	—	"
$/FL P	Fl.260	162	3.80 A	46	7	—	—	"
$/FL P	Fl.265	82	5	22	9.20 A	—	—	"
$/FL P	Fl.270	16	8 A	—	—	—	—	"
		Apr.		July		Oct.		
ABN C	Fl.600	179	6.90	187	23	25	30 B	Fl.589.50
ABN P	Fl.580	202	4	19	19.50	—	—	"
AEGN C	Fl.110	71	1.40	49	—	—	—	"
AEGN P	Fl.100	1	0.50 B	26	4.20	—	—	Fl.106.90
AH C	Fl.80	153	5	54	7.80	4	8.50	Fl.85
AH P	Fl.80	65	0.50	16	3.30	—	—	"
AKZO C	Fl.170	1668	8.90	862	12	269	16.50	Fl.178.70
AKZO P	Fl.180	308	3.60 A	805	9.50	76	10.50	"
AMEV C	Fl.80	7	1.20	147	5.70	16	7.80	Fl.78.40
AMEV P	Fl.70	—	—	1001	1.70	23	4	"
AMRO C	Fl.110	205	0.90	235	5.80	10	7.50	Fl.108.40
AMRO P	Fl.90	115	0.20	—	—	—	—	"
GIST C	Fl.280	178	14.80	39	23.80	5	27 B	Fl.290
GIST P	Fl.280	251	2.10	38	8	70	12.30	"
HEIN C	Fl.240	126	3.20	13	11.50	1	16	Fl.239.80
HEIN P	Fl.240	83	3B	12	8.10	—	—	"
HOOG C	Fl.100	1369	3.60	643	8.30	93	11.70	Fl.102.80
HOOG P	Fl.100	374	1.50	332	5.30	48	7.30	"
KLM C	Fl.65	177	0.80	201	4.20A	22	6.20	Fl.64.80
KLM P	Fl.65	234	1.50	171	4A	25	6.30 B	"
NEDL C	Fl.190	167	1.70	14	6.50	5	12	Fl.180.50
NEDL P	Fl.170	317	1.30	14	9	—	—	"
NATN C	Fl.85	25	0.50	125	2.90	13	4.80	Fl.79.20
NATN P	Fl.75	20	0.50	28	2.50	—	—	"
PETR C	Fr7000	18	295	—	—	—	—	Fr.7300
PHIL C	Fl.60	378	5.10	306	8.80	94	9.40	Fl.64.90
PHIL P	Fl.65	210	1.10	186	3.80	27	5	"
RD C	Fl.200	316	1	671	4.30	518	6.80	Fl.192.30
RD P	Fl.180	257	0.20	575	4.90	332	8	"
ROBE C	Fl.90	—	—	30	6	—	—	Fl.93.70
ROBE P	Fl.90	—	—	—	—	30	3.50	"
UNIL C	Fl.440	1182	3.50	242	13.50	36	21	Fl.429
UNIL P	Fl.400	63	0.80	78	5.50	10	10	"

TOTAL VOLUME IN CONTRACTS: 44,116.

A=Ask B=Bid C=Call P=Put

WORLD STOCK MARKETS

WALL STREET

Dow eases on rate cut rumours

STOCKS REMAINED lower on Wall Street yesterday, as a further rise in crude oil futures kept the market defensive.

By mid-day, the Dow Jones *Industrial Average was off* 2.39 at 1,764.01, making a fall of 57.71 on the week, while the NYSE All Common index, at $134.30, shed 11 cents on the day and $3.39 on the week. Declines led advances by a seven-to-six margin in a volume of 81m shares.

Traders said background support was derived from a Bond market recovery which was attributed to rumours that Salomon Brothers economist, Kaufman, expects a discount rate cut.

"Everybody's watching the Futures, Oil and Bond markets," says John Havens, a block trader at Kidder Peabody and Co. "That's been the theme all week."

Havens notes that premiums are narrow between the stock index futures and their underlying cash indexes.

In the Oil Futures market, the May contract is up about 70 cents a barrel at $12.45 in New York.

Transports led the market lower, retreating to their level of early March. The index, off 5.52 at 795.14, is sensitive to swings in oil prices. Sell programmes also were in evidence, traders said.

While Bonds rallied, stocks reacted little. "Stocks haven't been following Bonds as closely as they have in the past," said Gerald Simmons of Smith Barney Harris Upham.

"The market's looking at other things—crude oil prices, the upcoming quarterly earnings, and profit taking by money managers who've made a lot of money," he added.

Chrysler were also actively traded, down $1⅜ at $41⅜. Ford retreated $½ to $80⅞. Overall car sales declined 21.5 per cent in late March.

American Express declined $1½ to $65⅝—it said that it expects a record first quarter net, but expects unspecified losses due to the collapse of the London Tin Market.

Among stocks helping to pull down the Industrial Average, Merck dipped $2¼ to $168 and International Paper $1 to $59⅞.

Planning Research, off $1¼ at $20⅝, said it adopted a shareholder rights plan.

Tesoro Petroleum moved up $3¼ to $14½—it is the target of a $25-a-share takeover proposal from Cavalcade Asset Corp.

THE AMERICAN SE Market Value index put on 0.18 to 266.79, reducing its loss on the week to 3.02.

Closing prices for North America were not available for this edition.

CANADA

Stocks fell moderately in busy mid-day trading.

The Toronto Composite Index lost 9.43 to 3,026.80 and declines led advances by a three-two ratio.

The Metals and Minerals index dipped 11.66 to 2299.33 and Oil and Gas 4.51 to 2770.13.

Volume leader Hiram Walker edged up $¼ to $35⅞—a court hearing continues on the sale of Walker's liquor business to Allied-Lyons PLC.

TOKYO

Stocks plunged for the fourth consecutive day with the Nikkei Market Average dropping 252.43 to 15,019.81.

The Average dipped below 15,000 briefly in early afternoon trading but recovered slightly to trim losses. Turnover 720m (660m) shares.

The SE index fell 15.75 to 1,202.33.

The Average has lost about 28 per cent of the gain from its low in January to its peak on March 31, and brokers suggested it should fall as much as 33 per cent before starting to rise again.

Brokers said reports on Thursday that the Central Bank was urging private banks to restrain lending for speculative investments had provided the market with a much-needed excuse to correct its recent rapid gains.

"Large" capitals and asset-backed shares fell sharply, while Motors were bought against the general trend. Brokers predicted the market's downward correction from recent record levels would continue.

Traders said that Electricals still have to pass through a rough period next month when earnings reports come out for many of them. Most stock analysts in Tokyo see substantially lower earnings for many Electrical shares in their fiscal 1985 years ending March 31, Consumer Electronics Manufacturers in *particular.*

Most brokers do not foresee any quick change from declining interest rates, cheaper oil and the strong yen which have made investors favour domestic issues, though some said export-related shares could be the focus for a while.

HONG KONG

Share prices extended Thursday's strong gains, buoyed by active local and Japanese buying.

The Hang Seng index rose a further 18.60 to 1,643.80 and the Hong Kong index 8.14 to 1,021.92. Turnover HK$363.32m (HK$263m).

Swire Pacific "A" gained 50 cents to HK$34.75 on expectations that weak oil prices will aid its Cathay Pacific Airways unit, which will be listed soon.

PARIS

The firm trend continued through the main session with good volume traded and substantial demand from foreign investors.

Dealers attributed the strong prices to expectations of an imminent realignment of the European Monetary System, with speculation the French franc will be devalued and the mark revalued.

Investors expect a franc devaluation would boost the competitiveness of French industry. It would also facilitate lower interest rates and make French shares more attractive to foreign buyers.

Japanese issues were firm and West Germans advanced slightly, but US fell back.

MILAN

Generally lower, under pressure of profit-taking and speculative sales.

Fiat Common and Preferred shares climbed to new record highs on expectations of a capital increase and following rumours that a Fiat stake held by a Libyan bank might be taken over by Gemina, an Italian holding company in which Fiat is the largest single shareholder.

GERMANY

Leading shares mostly easier after lively trading, amid uncertainty about foreign exchange developments.

Sellers entered markets to take profits ahead of this weekend's *European* Community Finance Ministers meeting in Holland. This is widely expected to agree a realignment of the European Monetary System, revaluing the mark. German exporters, already hit by the dollar's fall over the past year, could suffer as a result.

The Commerzbank of 60 leading shares, set at midsession, fell 38.5 to 2,085.5.

Volkswagen lost DM 3.9⁄ to 599.30, but Daimler bucked the trend rising DM 20 to 1,350—

AUSTRALIA

Firmer, buoyed by strong local and overseas demand for leading Industrial and situation stocks.

The All Ordinaries index rose 9.7 to a week's high of 1153.9, the All Industrials 19.0 to a record 1860.5 passing its previous peak of 1850.9 of March 25, while All Resources index climbed 3.5 to 618.8 but the Gold index shed 4.9 to 932.9.

National turnover 57.3m shares worth $A104.7m, with rises outnumbering falls 244-to-208.

STOCKHOLM

The Bourse closed at an all-time high for the fourth day running in heavy trading, which reflected massive institutional buying interest.

Forestry stocks led the rally with SCA firming Kr. 11 to 229 and Stora rising Kr 16 to 261.

SINGAPORE

Prices continued to drift lower over a broad front on stoploss selling and lack of fresh buying interest in quiet trading.

The Straits Times Industrial index fell 4.97 to 588.31 and the SE All Share index 1.90 to 213.83. Turnover 9.7m (9.4m) shares.

NEW YORK

NEW YORK INDICES

CANADA

NEW YORK ACTIVE STOCKS

SPAIN Madrid SE (30/12/85)	158.90	161.84	162.24	162.58	162.58 (1/4)	108.85 (3/1)
SWEDEN Jacobson & P (31/12/56)	2173.50	2156.54	2098.57	2102.28	2173.5 (4/4)	1728.57 (29/1)
SWITZERLAND SwissBankCpn(31/12/58)	601.0	529.9	535.1	535.8	625.5 (3/1)	554.7 (28/2)
WORLD M.S. Capital Intl. (1/1/70)	—	502.2	506.3	507.9	509.8 (31/3)	249.8 (23/1)

** Saturday March 29: Japan Nikkei 15,590.9. TSE 1,240.08.

Base value of all indices are 100 except JSE Gold—255.7. JSE Industrial—264.3, and Australia. All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 Utilities. 40 Financials and 20 Transports. c Closed. u Unavailable.

CANADA

AUSTRIA

GERMANY

NORWAY

AUSTRALIA (continued)

JAPAN (continued)

BELGIUM/LUXEMBOURG

SPAIN

SWEDEN

HONG KONG

DENMARK

ITALY

SWITZERLAND

JAPAN

SINGAPORE

FRANCE

NETHERLANDS

AUSTRALIA

SOUTH AFRICA

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. * Price in Schillings.

CURRENCIES and MONEY

COMMODITIES AND AGRICULTURE

FOREIGN EXCHANGES

Attention turns to the EMS

Attention was focussed yesterday on the imminent realignment of currencies within the European Monetary System. Central banks abandoned their official currency fixings and pre-set supper and lower intervention levels following a sharp fall in the value of the French franc. This started in New York on Thursday whne it became obvious that the Bank of France had stopped supporting the French franc.

This prompted a free fall in the value of the franc and central banks were obliged to suspend their obligations to intervene at certain points as currencies moved outside their previous trading ranges. The principal benefactor was the West German D-mark and to some extent the Swiss franc. With central banks not operating in currency markets, trading virtually ground to a halt for although there was still a demand for the D-mark there were very few people willing to accept currencies such as the French franc in payment.

EEC finance ministers are meeting this weekend and are expected to announce new parities which include at least a devaluation in the French franc and a D-mark revaluation. The French franc continued to lose ground during the afternoon with the dollar rising to FFr 7.5725 from FFr 7.3950 and sterling better at FFr 10.9650 compared with FFr 10.7825. The D-mark rose against the franc to Fr 3.1700 from FFr 3.0995.

The dollar recovered towards the close against the D-mark but failed to break through the DM 2.40 level. It closed at DM 2.3890 compared with DM 2.3860 on Thursday. An unemployment figure of 72 per cent compared with 7.3 per cent the previous month had very little effect on trading. Elsewhere it rose to Y180.15 fro mY179.65 but was slightly lower against the Swiss franc at SFr 1.9940 from SFr 1.9960. On Bank of England figures, the dollar's exchange rate index rose to 121.5 from 120.8.

Sterling's exchange rate index closed at 76.4 from 76.5 previously in thin trading. It was lower against the dollar at $1.4480 from $1.4580 and DM 3.46 from DM 3.4775. It was also lower against the yen at Y260.75 from Y262.0.

£ IN NEW YORK

Close	April 4	Prev. close
£ Spot	$1.4475-1.4485	$1.4590-1.4600
1 month	0.50-0.47pm	0.50-0.48pm
3 months	1.41-1.36pm	1.40-1.38pm
12 months	3.75-3.68pm	3.85-3.78pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	April 4	Previous
8.30 am	76.3	76.5
9.00 am	76.3	76.5
10.00 am	76.3	76.6
11.00 am	76.2	76.6
Noon	76.4	76.5
1.00 pm	76.4	76.5
2.00 pm	76.4	76.6
3.00 pm	76.6	76.3
4.00 pm	76.4	76.5

POUND SPOT—FORWARD AGAINST POUND

April 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.4400-1.4580	1.4475-1.4485	0.51-0.48c pm	4.10	1.41-1.36pm	3.83
Canada	2.0075-2.0240	2.0075-2.0115	0.13-0.02c pm	0.45	0.51-0.37pm	0.87
Nethlnd.	3.87½-3.91¼	3.90-3.91	2⅛-1⅞c pm	6.16	5½-5⅛pm	5.58
Belgium	70.49-73.96	71.40-71.50	21c pm-3 dis	−1.52	54-9pm	1.77
Denmark	12.71½-12.89¼	12.80¾-12.81¾	4½-3⅞ore pm	3.87	12⅞-10⅝pm	3.62
Ireland	1.1500-1.2500	1.1580-1.1600	0.25-0.40p dis	−3.37	0.55-0.85dis	−2.42
W. Ger.	3.44-3.47¾	3.45½-3.46½	2⅛-2pf pm	7.15	6⅝-5⅞pm	6.58
Portugal	215.75-231.19	215.75-230.55	150-410c dis	−14.67	400-1190dis	−13.89
Spain	217.50-234.90	220.10-234.90	20-68c dis	−2.30	85-200dis	−2.57
Italy	2363½-2454	2409½-2410½	8-14 lire dis	−5.49	22-30dis	−4.32
Norway	10.63½-10.81¾	10.71-10.72	1⅞-2¼ore dis	−2.03	5½-6⅞dis	−2.31
France	10.81½-11.11½	10.96-10.97	5-6⅞c dis	−6.48	5½-7⅛dis	−2.34
Sweden	10.75¾-10.93½	10.85½-10.86½	1¼-¾ore pm	0.83	2-⅞pm	0.53
Japan	259¾-262	260¾-261¾	1.40-1.25y pm	6.11	3.90-3.75pm	5.85
Austria	24.20-24.38	24.33-24.39	14⅝-12⅞gro pm	6.70	37½-33¼pm	5.89
Switz.	2.86½-2.90	2.88¾-2.89¾	1⅞-1⅝c pm	7.51	5⅞-5pm	6.99

Belgian rate is for convertible francs. Financial franc 72.05-72.25. Six-month forward dollar 2.28-2.23c pm, 12-month 3.80-3.65c pm.

CURRENCY RATES

April 4	Bank rate %	Special Drawing Rights*	European Currency Unit
Sterling	—	0.771021	N/A
US $	7	1.12970	"
Canadian $	10.14	1.57367	"
Austria Sch	4	18.8434	"
Belgian Fr.	9¾	55.0446	"
Danish Kr.	7	9.92159	"
D'mark	3½	2.68699	"
Guilder	4½	3.03156	"

*SDR rates are for April 3.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

April 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4400-1.4580	1.4475-1.4485	0.51-0.48c pm	4.10	1.41-1.36pm	3.83
Ireland†	—	1.2000-1.2500	1.30-1.05c pm	11.51	2.95-2.30pm	8.57

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible franc. Financial franc 49.70-50.00.

CURRENCY MOVEMENTS

EURO-CURRENCY INTEREST RATES

Long-term Eurodollars: two years 7⅜-7⅝ per cent; three years 7⅝-7⅞ per cent; four years 7⅞-8 per cent; five years 8-8⅛ per cent nominal. Short-term rates are call for US dollars and Japanese yen; other two days' notice.

OTHER CURRENCIES

	£	$
Greece	209.80-215.80	145.00-149.00
H'kong	11.2858-11.3150	7.8120-7.8140
Iran	120.25*	80.55*
Kuwait	0.4220-0.4230	0.29150-0.29208
Lux'burg	71.40-71.50	49.30-49.40
Malaysia	3.8680-3.8780	2.6800-2.6850
N'Z'land	2.6250-2.6350	1.8115-1.8165
Saudi Ar.	5.2820-5.2920	3.6490-3.6510
Sin'pore	3.1645-3.1745	2.1885-2.1905
S.Af. (Cm)	3.0160-3.0320	2.0855-2.0940
S.Af. (Fn)	4.5235-4.5710	3.1250-3.2250
U.A.E.	5.3100-5.3200	3.6715-3.6745

* Selling rate.

EXCHANGE CROSS RATES

	£	$	DM	YEN	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
DM	0.289	0.418	1.	75.36	3.196	0.837	1.129	695.5	0.581	20.66
YEN	3.835	5.563	13.27	1000.	42.05	11.11	14.98	9243.	7.707	274.0
F Fr.	0.912	1.321	3.155	237.8	10.	2.699	3.561	2198.	1.833	65.16
S Fr.	0.345	0.501	1.198	90.30	3.797	1.	1.352	834.6	0.696	24.74
H Fl.	0.256	0.371	0.885	66.77	2.808	0.743	1.	617.2	0.515	18.30
Lira	0.415	0.601	1.436	108.2	4.550	1.224	1.620	1000.	0.834	29.65
C $	0.498	0.721	1.722	129.8	5.457	1.432	1.943	1199.	1.	35.56
B Fr.	1.400	2.027	4.845	364.9	15.35	4.093	5.466	3373.	2.813	100.

Yen per 1,000: French Fr per 10: Lira per 1,000: Belg Fr per 100.

MONEY MARKETS

UK rates little changed

UK interest rates were barely moved in London yesterday in very quiet trading. The effect of an imminent realignment of currencies within the European Monetary System caused some degree of uncertainty although the market still showed sufficient confidence to expect another cut in clearing bank base rates before too long.

Sterling was little changed overall in rather erratic and thin trading but with oil prices showing a firmer trend, the market saw no cause for anxiety. Three-month interbank money finished at 11⅛-11¼ per cent compared with 11⁵⁄₁₆-11³⁄₁₆ per cent while three-month sterling CDs were quoted at 11-11⅛ per cent from 10¹⁵⁄₁₆-11¹⁄₁₆ per cent. Weekend interbank money opened at 11⅝ per cent and eased to a low of 6 per cent before finishing at 7 per cent.

The Bank of England forecast a shortage of around £500m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £378m, a rise in the note circulation a further £260m and banks' balances brought forward £55m below target. These were partly offset by Exchequer transactions which added £180m. The Bank gave assistance in the morning of £131m through outright purchases of £130m of eligible bank bills in band 2 at 11⁵⁄₁₆ per cent and £1m in band 3 at 11¼ per cent.

The forecast was later revised to a shortage of around £400m before taking into account the early help and the Bank gave additional assistance in the afternoon of £282m through outright purchases of eligible bank bills in band 2 at 11⁵⁄₁₆ per cent. Total help came to £413m.

The average rate of discount fell to 10.7009 per cent from 10.7440 per cent at yesterday's Treasury bill tender. The minimum accepted bid was £97.325, met as to about 17 per cent and above in full. The £100m of bills on offer attracted bids of £507m and all bills were alloted. Next week a further £100m will be on offer, replacing a similar amount of maturities.

UK clearing banks base lending rates 11½ per cent since March 19

FT LONDON INTERBANK FIXING

(11.00 a.m. April 4)

Three months US dollars		Six months US dollars	
bid 7 3/16	offer 7 5/16	bid 7 1/4	offer 7 1/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

LONDON MONEY RATES

REVIEW OF THE WEEK

Coffee market in bearish mood

BY RICHARD MOONEY

THE COFFEE market was in one of its bearish moods this week and even Thursday night's news that the US had decided not to pull out of the International Coffee Agreement (ICA) was not enough to halt the slide in prices. After falling another £20 a tonne yesterday the July position on the London futures market ended £125 down on the week at £2,379 a tonne, the lowest price for that position since mid-February.

Although the ICA's export quota restrictions are in suspension at the moment — because prices are well above the agreement's "ceiling" level following last year's protracted Brazilian drought—anxiety about the possibility of the US withdrawing has been quoted as a market factor. It was ironic that on Thursday Mr Deigo Pizano, economic adviser to President Betancur of Colombia, the world's second biggest coffee producer after Brazil, attempted to play the issue down by saying "it would be no complete catastrophe" if the US did decide to pull out.

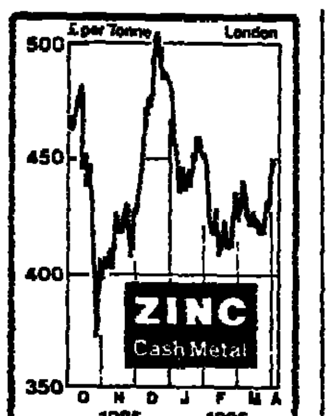
The US administration's distaste for commodity agreements which aim to support prices has been no secret and it has refused to join the International Cocoa Agreement and the crisis-ridden International Tin Agreement. Unlike these two, the coffee pact is not based on buffer stock buying (which the Americans find particularly distasteful), but it has nevertheless been attacked by some US politicians for being unhelpful to the interests of consumers.

So the administration's decision not to withdraw may well have something to do with the US's special relationship with Brazil and other Latin American coffee producing countries.

This week's coffee price fall ended a modest advance towards the end of last week which had been linked to the Brazilian Coffee Institute's (IBC's) introduction of a retention system under which exporters have to lodge one bag (60 kilos) of coffee with the IBC for every three bags registered for export. The IBC said the move was aimed at protecting domestic supply but suspicions that it was equally interested in boosting export prices tended to be supported by reports yesterday from Rio de Janeiro that, following this week's price slide, the IBC was considering toughening up the retention rules.

London dealers saw this week's price fall as a reflection of the plentiful supplies available for nearby delivery, coupled with slack roaster demand. But many thought these were short term factors and remained cautiously bullish about longer term price prospects. The possibility of further damage to Brazilian coffee supplies when the frost season arrives in a couple of months time remains a constant encouragement to the bulls.

The London sugar market resumed trading after the Easter break with some catching up to do following New York's strength on Bank Holiday Monday, and the London daily raws price was immediately moved up $9.50 to a new 56-month high of $213.50 a tonne. But that



proved to be the limit of the rise and the LDP ended the week only $1 up on balance at $205 a tonne.

The background tone remained fairly bullish, however, with the French sugar intervention board forecasting a 6 per cent cut in EEC 1986-87 beet sugar output and demand on the world market remaining fairly brisk.

Most of the base metals quoted on the London Metal Exchange had a basically featureless week with higher grade copper ending marginally lower and aluminium continuing its slide.

But the zinc market was buoyed by a wave of bullish news and ended £11.50 up on the week in the cash position at £447 a tonne.

On Tuesday it was announced that Asarco was suspending production at its three Tennessee zinc mines and that strikers at Amax's Sauget plant had rejected the company's new pay offer. Further upward pressure was provided by Noranda's announcement on Tuesday that it had raised its European selling price by $30 to $700 a tonne. This move was followed almost immediately by Falconbridge and three days later by A. M. & S. (Europe), Preussag of West Germany, Penarroya of France and Outukumpu of Finland.

WEEKLY PRICE CHANGES

US MARKETS

Volatility in the oil markets caused initial losses in the precious metals, as reports of the US's wishes to see a free market stabilisation were being digested in various quarters, reports Heinold Commodities. A subsequent technical rally in crude following a breach of important support levels nevertheless cheered the sentiment and platinum closed modestly higher. Copper saw further technical selling on continued firm dollar values, although trade buying developed at the lows. Commission house selling pushed sugar prices back later, although rumours of Japanese interest and short-covering encouraged a recovery to near unchanged. Cocoa sold on trade and commission house pressure, activating stops on the downside. Coffee saw a continuation of its recent technical weakness, with chart selling triggering stops to lead to heavy losses in the nearbys. The soyabean complex sold heavily on reports that acreage plantings would be increased in 1986.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
April	5525	—	—	5515
May	5470	5540	5475	5610
June	5560	—	—	5550
July	5510	5585	5515	5650
Sept	5540	5600	5560	5685
Dec	5620	5630	5620	5725
Jan	5670	—	—	5740
March	—	—	—	—
May	5720	—	—	5790
July	5750	—	—	5820

COCOA 10 tonnes, $/tonnes

CHICAGO

INDICES

SOYABEAN MEAL

GRAINS

RUBBER

MEAT

FREIGHT FUTURES

COFFEE

COCOA

POTATOES

SUGAR

OIL

GAS OIL FUTURES

BASE METALS

ALUMINIUM

COPPER

LEAD

NICKEL

TIN

ZINC

GOLD

SILVER

LONDON STOCK EXCHANGE

MARKET REPORT

Two new big takeover bids ensure continuation of speculative activity in equity market

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Mar 10	Mar 26	Mar 27	Apr 7
Apr 1	Apr 10	Apr 11	Apr 21
Apr 14	Apr 24	Apr 25	May 6

* "New-time" dealings may take place from 9.30 am two business days earlier.

London markets remained in the grip of bid fever yesterday and the temperatures rose noticeably in the financial sector during the mid-afternoon. This followed the surprise announcement that main clearer **Lloyds Bank** had approached **Standard and Chartered** with a view to a recommended offer of 750p per share. Standard Chartered, already sharply higher at 698p ahead of the news, raced up to 830p on sustained buying before settling 163 higher on the day at 805p. A buying spree immediately developed for most banking issues, some of which retained good improvements, but Lloyds reacted late to end a net 22 down at 616p, after 645p.

Speculative activity was the outstanding feature from the moment business opened. Store shares ran into considerable profit-taking after Thursday's heavy trade on possible repercussions of **Dixons'** attempt to take over **Woolworth**. Some profits were immediately re-invested in other suspected bid candidates, including S. and W. Berisford and Hillsdown Holdings; after weeks of speculation, Hillsdown launched a share exchange offer for Berisford. **Beecham** was another to return to prominence on talk of imminent takeover developments.

Other blue chip issues began the session lower in sympathy with Thursday's last-hour slide on Wall Street. Many stocks encountered a flurry of profit-taking after their sustained five-day advance but the sales made only a token impact. Within fifteen minutes of the start buyers became active and a price recovery ensued. The FT Ordinary share regained much of an initial 11-point fall to stand only 2.2 off at noon before drifting easier in the afternoon to close 5 points down on the day at 1420.9; over the four-day period, the index was nearly 31 points higher.

The broader-based FT-SE 100 share index registered a loss of 16.2 prior to settling a net 7.9 lower at 1709.7

The suspension of Central Bank trading within the EMS system, pending a meeting this weekend which could lead to a realignment of intervention levels, upset the market in Gilt-edged securities. Persistent small sales unsettled longer maturities which retreated throughout the morning to show losses stretching to 1¼ points. Sterling held up well in thin foreign currency market trading and longer-dated Gilts eventually reduced their falls to around a point.

Index-linked Gilts continued to buck the trend. Further small demand impinged on a market short of stock and prices responded readily. At the close, the longest-dated issues displayed gains ranging to 1¼.

Midlands jump

Having been in the doldrums throughout the week on concern about US banks' energy loan portfolios, the clearing banks revitalised by Lloyds' approach to Standard Chartered. Investors searched for the next bid candidate within the sector and **Midland**, recently rumoured to be on BP's shopping list, came in for aggressive speculative support which brought a close of 45 up on the session at 553p. **Royal Bank of Soctland**, already a good market on unconfirmed reports that it had sold a stake in Woolworth at a substantial profit, moved up further to finish 26 to the good at 378p, after 380p. **Barclays** closed 10 better at 548p, after 530p, and **NatWest** added the same amount at 900p, after 870p. Elsewhere, **Mercury Securities** jumped 30 more for a two-day gain of 90 at 950p on continued speculation surrounding Mr Saul Steinberg's stake in the company; stockjobbing concern **Akroyd and Smithers** rose 20 to 770p in sympathy.

Vaux Breweries jumped 45 more for a week's advance of 105 at 535p, after 540p, as speculation about a bid from Pleasurama intensified. **Distillers** rose 24 to 706p, after 710p, following comment on the latest developments in the bid situation; **Guinness**, which announced late on Thursday that it would not be increasing its offer, closed 10 dearer at 351p, while rival suitors **Argyll Group** closed unaltered at 348p.

Buildings presented a mixed appearance. Cement producers, particularly firm of late reflecting the pending 4 per cent cement price increase, encountered profit-taking initially, but subsequently steadied. **Blue Circle** settled 8 off at 688p, after 683p, and **Rugby Portland Cement** were finally a couple of pence cheaper at 187p; the latter's annual results are due on Monday. Elsewhere, **George Wimpey** shed 6 to 167p as bid hopes faded, while **Barratt Developments** eased 2 to 152p. In the Timber sector, **Magnet and Southerns** featured with a gain of 14 at 184p, after 196p, reflecting aggressive speculative buying on rumours of a possible bid from Woolworth. **Meyer International** were 4 dearer at 254p in sympathy. **Helical Bar** revived strongly and, in a restricted market, rose 16 to 159p, while **British Dredging**, still reflecting recent favourable Press comment, gained 6 more to 91p. **Ben Bailey Construction** shed a penny to 25p following news of the interim loss and dividend omission.

Woolworth below best

Wall Street influences left **ICI** with a loss of 12 on the day at 940p. Among other Chemicals, **Foseco** came back 4 to 294p and **Anchor** gave up 8 at 215p. **Brent** softened a couple of pence to 165p and **British Benzol** slipped 1½ to 74p. Against the trend, **Holt Lloyd International** found support and firmed 4 to 97p.

Woolworth jumped 40 more for a two-day gain of 267 to 900p after 920p, on hopes of a counter to the unwelcome bid from **Dixons**; the latter, at 408p, lost 12 of Thursday's rise of 50. Other leading Retailers succumbed to profit-taking after an outstanding performance earlier in the week in response to reports that the volume of consumer spending remains at buoyant levels. **Marks and Spencer** relinquished 8 at 219p, and **Storehouse** shed 12 at 348p. **Burton** eased 8 to 340p following further consideration of the half-year figures, while **Boots** lost 6 at 280p, after 276p. Among secondary issues, **Cantors "A"** rose 14 to 138p on speculative support and **Superdrug** gained 10 at 525p.

Amstrad returned to the limelight with a rise of 46 to 488p amid talk of a possible acquisition. **BSR**, rumoured as a likely target for Amstrad, advanced 11 further to 118p. **Oxford Instruments**, helped by news that the company has agreed to acquire the outstanding minority partnership in Oxford Superducting, advanced 23 further to 525p. **Rotaflex**, reflecting Press mention, firmed 5 to 200p, but **Acorn Computer** fell 6 more to 66p following comment on the preliminary results. **Cable and Wireless** drifted back 15 more to 710p on profit-taking, but falls in other leading Electricals were limited to a few pence.

Apart from **Vickers**, up 12 more at 540p, in a market none to well supplied with stock, leading Engineers showed little alteration. Elsewhere, **Weir Group** moved up 9 to 129p on further consideration of the preliminary statement, while **British Steam** gained 29 more to 245p in a thin market. Speculative demand left **Richardson and Westgarth** 7½ dearer at 46p and prompted a rise of 14½ to 73½p in **Aurora**.

Having moved up from the 166p level when the company announced that it had received a bid approach in late February, **S. and W. Berisford** raced ahead yesterday to touch 252p prior to settling a net 18 higher at 248p following the share-exchange offer from **Hillsdown Holdings**. With Hillsdown rising 34 to 310p, after 313p, the bid currently values Berisford at just under 254p per share. **Tate and Lyle**, which on Thursday announced that it had increased its stake in Berisford to 9.1 per cent, closed 5 dearer at 653p, after 657p. Ferruzzi of Italy, which had talks with Berisford, but decided not to pursue the acquisition of British Sugar from Berisford, has agreed to accept the Hillsdown offer in respect of its 9 per cent stake. Meanwhile, **Ranks Hovis McDougall**, which counts Berisford as a major shareholder with nearly 15 per cent of the equity, raced up 17 to 244p in sympathy.

Other Foods were overshadowed by bid events, but **United Biscuits**, currently involved in a battle with Hanson Trust for control of Imperial Group, attracted late speculative demand and closed 5 up at 265p.

Beecham advance

Hotels encountered profit-taking following cautious Press comment. **Grand Metropolitan** came back 12 to 418p and **Trusthouse Forte** shed 7 to 187p. **Mount Charlotte** lost 5 at 88½p, but **Kennedy Brookes** continued to trade firmly and gained 9 more to 283p in a limited market.

Beecham were prominent at 386p, up 18, after 390p, on strong buying including traded option activity amid a revival of takeover rumours. Other leading miscellaneous industrials opened lower before recovering to settle only a few pence easier on balance. **Reckitt and Colman**, however, encountered profit-taking after the previous day's rise of 64 on the preliminary figures and fell away to 870p before closing 15 off on the day at 835p. Elsewhere, **Standard Fireworks** ended 25 higher at 140p, after 150p, following news of the bid approach, while **Extel** gained 12 to 405p in response to the revised offer from Demerger Corporation. Dealings were suspended in **British Syphon**, at 140p and **Marshalls Universal**, at 82p, up 5 and 7 respectively; it was announced later that discussions are taking place which may lead to an agreed offer by Marshall's for British Syphon. Speculative demand left **Bestobell** 25 to the good at 370p and **Marley** 4 higher at 120p, after 122p. **Sharna Ware**, in contrast, fell 5 to 48p on the bigger annual loss. Profit-taking clipped 20 from **Parkfield Group** at 460p and left **Pentland Industries** 15 cheaper at 530p. **Reuters** eased 10 to 455p on the announcement that United Newspapers had sold its entire holding in the former; United hardened 5 to 345p.

Radio City Sound of Merseyside) gained 4 to 29p following details of the agreed sale of the Beatle City exhibition for £500,000. **Central TV** rose 10 to 275p; Sears has placed its 19.9 per cent holding of non-voting shares and its 20 per cent holding of non-voting shares and its 20 per cent holding of the voting shares.

News that exports of **Jaguar** cars topped the £500m for the first time last year and demand for the cars still exceeds supply failed to stimulate **Jaguar** which dipped 5 more to 498p.

In motor components, the terminated bid discussions prompted a sharp retreat in **Jonas Wodhead**, 6 cheaper at 45p. **T. Cowie** lost a similar amount at 185p.

PR group **Good Relations** spurted 15 to 168p, after a record 173p, following the announcement that the company is in the early stages of merger discussions with an un-named group. **Valin Pollen International**, unchanged at 190p, were suggested a posible suitor. **Promotions House**, already in receipt of a bid worth in excess of 30p a share, moved up 4½ to 36p.

IC Gas up again

The Property leaders continued to drift lower on lack of support. **MEPC** lost 8 at 340p and **Land Securities** softened 3 to 313p. Secondary issues continued to feature **Abaco** which traded in lively fashion and touched 53p before closing unchanged on balance at 50p; the shares have risen 13 this week on speculation that the company was about to announce a sizeable deal and yesterday the board denied that it had received any bid approaches. Elsewhere, **London and Edinburgh** rose 20 to 730p ahead of next Tuesday's preliminary results, while revived demand in restricted markets lifted **Peel Holdings** 35 to 520p and **Asda Property** 10 to 290p. **Land Investors** firmed 2 to 65p on takeover hopes, but recently-firm **Regalian** shed 15 to 525p following profit-taking.

Mercantile House, still reflecting the strong profits recovery at Oppenheimer, advanced 13 afresh to 338p, while revived takeover hopes helped **Exco** move up 12 to 237p.

The threatened strike by Norwegian North Sea oil workers and remarks attributed to Dr Subroto that OPEC ministers will agree a 14m barrels a day production ceiling at the forthcoming OPEC meeting to be held in Geneva on April 15 helped crude oil prices move ahead and saw leading oil shares gradually improve from easier opening levels.

BP rallied from an initial 558p and touched 565p before ending the day only a shade off on balance at 563p, while **Shell** were finally 8 down at 768p. **Britoil** hardened a couple of pence to 180p, as did **LASMO**, 142p, but **Tricentrol**, where Trafalgar House recently announced a 5.9 per cent interest, lost 3 to 73p and **Ultramar**, where Ron Brierley's IEP Securities holds a 6.45 per cent stake, gave up 2 to 186p.

Second-liners showed **Goal Petroleum** 2 cheaper at 36p following news that **Premier Consolidated** has increased its stake to 12 per cent and is seeking to instal Premier chairman **Mr R. Shaw** on the Goal board of directors. **Petrogen** remained a firm market and rose 3 to equal the 1986 high of 28p while **New London Oil** staged a strong rally and closed 8 up at 33p. Bid speculation continued to boost **IC Gas** which advanced 6 more to 393p, after a year's best of 395p.

Thomas Borthwick, 4 better at 44p, provided an isolated firm feature among Overseas Traders.

Continuing rumours that Australian Robert Holmes à Court, or leading down-under group BHP is about to announce a near 7 per cent stake in **RTZ** prior to launching a full scale bid for the company fuelled another day of intense activity in RTZ shares. The latter raced up to a 1986 high of 790p during initial dealings, but slipped back to 762p on profit-taking prior to moving ahead late to close 16 higher at 780p—a week's rise of 65; RTZ's preliminary results are scheduled for next Thursday.

Cornwall's Geevor Tin rallied 7 to 40p on hopes of Government aid to keep the mine in operation, but still showed a week's fall of 17 reflecting news that mining will halt as from Monday when the majority of the workforce will be laid off.

South African sectors of mining markets ended a generally quiet week on a subdued note. Bullion edged up $2 to $335.25, but remained $8.5 easier over the week. In the leaders, **Randfontein**, £59½, **Winkelhaak**, £12¼ and **Libanon**, £10¾ were all around ⅛ to ¼ firmer. **Vaal Reefs**, on the other hand, succumbed to profit-taking and lost ½ to £47¼, as did **Southvaal**, £23¼.

South African Financials gained ground where changed. "**Amgold**" settled £1¼ up at £49¼, **Gold Fields of South Africa** rose 25 to 825p and **OFSIL** hardened ¼ to £18¼.

Australian mines moved narrowly in either direction—interst in overnight Sydney and Melbourne markets was mainly centred on banking and industrial issues.

Western Mining dipped 4 to 176p following news that the company reducing nickel production by closing five of its 11 operating mines at Kambalda, Western Australia.

A number of the Gold stocks edged higher with **Australian Consolidated Minerals** 3 firmer at a 1986 high of 105p and **Sons of Gwalia** a like amount to the good at 191p.

Traded Options

Total contracts transacted in Traded Options amount to 22,229—16,398 calls and 5,831 puts. Beecham were fairly lively amid revived talk of a bid from ICI and recorded 2,434 deals, compriisng 1,583 calls and 851 puts.

Government aid for exhibition

THE GOVERNMENT has promised £30,000 towards the Industry Matters exhibition which will take place at Northolt in March next year.

Sir George Young, Under-Secretary for the Environment, said the exhibition would give an "unprecedented opportunity for local firms, business organisations and local authorities to demonstrate the very real progress which is being made in the economy of west London."

"It is vital to foster and take advantage of the key advantages which west London possesses" he said. "It is one of the single largest concentrations of economic activity in the country and is the engine room of the overall London economy."

He said west London had a large, skilled workforce coupled with a big reservoir of business skills, excellent communications ranging from Heathrow, to the ready access provided by the M25 and M40, the high technology corridor of England.

"I would like to express my admiration for the commitment of the six London boroughs (Harrow, Brent, Ealing, Hammersmith and Fulham, Hillingdon and Hounslow), the west London Chamber of Commerce and Industry and the London region of the CBI to this exhibition," said Sir George.

Key town centre renewal schemes have been completed or are under way in Harrow, Ealing, Hounslow and Uxbridge.

RISES AND FALLS YESTERDAY

	Yesterday Rises	Falls	Same	On the week Rises	Falls	Same
British Funds	13	87	12	146	257	46
Corpns. Dom. and Foreign Bonds	1	32	39	64	65	159
Industrials	320	337	839	1,821	1,073	3,094
Financial and Props.	100	146	323	707	370	1,199
Oils	26	25	69	106	115	259
Plantations	6	1	8	20	4	36
Mines	57	24	100	180	175	369
Others	40	71	88	245	247	301
Totals	563	723	1,478	3,288	2,306	5,463

FINANCIAL TIMES STOCK INDICES

	Apr. 4	Apr. 3	April 2	April 1	Mar. 27	Mar. 26	year ago
Government Secs	91.47	91.92	92.34	92.55	†91.87	91.12	80.76
Fixed Interest	95.97	96.20	96.25	96.02	†95.50	94.86	85.46
Ordinary ♥	1420.9	1425.9	1419.4	1402.2	1390.0	1380.4	962.5
Gold Mines	290.2	290.5	282.6	279.9	286.9	291.9	509.3
Ord. Div. Yield	3.78	3.77	3.79	3.87	3.90	3.93	4.75
Earnings, Yld. %(full)	9.19	9.18	†9.22	9.26	9.34	9.31	11.85
P/E Ratio (net) (*)	13.46	13.48	13.43	13.38	13.27	13.34	10.28
Total bargains (Est.)	41,513	36,105	37,907	40,426	40,000	38,410	25,761
Equity turnover £m.	—	765.48	710.49	591.01	824.44	937.42	308.67
Equity bargains	—	46,000	43,006	38,119	42,981	46,526	28,657
Shares traded (ml)	—	310.4	302.3	284.9	376.9	414.1	165.7

♥ 10 am 1415.0. 11 am 1420.4. Noon 1423.6. 1 pm 1423.3. 2 pm 1422.0. 3 pm 1421.8. 4 pm 1421.9. Day's High 1424.5. Day's Low 1413.5. Basis 100 Government Securities 15/10/26. Fixed interest 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974. Latest Index 01-246 8026. *Nil=13.00. † Corrected.

HIGHS AND LOWS

—	1986 High	1986 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	92.55 (1/4)	80.39 (20/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	96.25 (2/4)	86.55 (23/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1425.9 (3/4)	1094.3 (14/1)	1425.9 (3/4/86)	49.4 (26/6/40)
Gold Mines	387.0 (27/1)	257.5 (2/1)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

INDICES	April 3	Apr. 2
Daily		
Gilt Edged Bargains	175.5	177.3
Equities Bargains	298.0	278.7
Value	1,547.2	1436.0
5 day Average		
Gilt Edged Bargains	183.8	184.5
Equities Bargains	279.4	277.6
Value	1,547.8	1521.1

YESTERDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Barclays	548	+10	Lloyds Bank	616	−22
Beecham	386	+18	Midland Bank	553	+45
Berisford (S. & W.)	248	+18	NatWest Bank	900	+10
Dixons Group	408	−12	RTZ	780	+16
Good Relations	168	+15	Standard Chartered	805	+163
Hillsdown	310	+34	Woolworth	900	+40

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thur. close	Day's change	Stock	No. of changes	Thur. close	Day's change
Woolworth	50	860	+227	NatWest Bank	25	890	−25
Dixons Group	49	420	+50	Distillers	24	682	+12
RTZ	43	764	+51	Shell Transpt.	24	776	+11
Cable & Wire.	29	725	−5	Stand. Chart'd	23	642	+24
Br. Aerospace	27	592	+9	Grand Met.	22	430	+7
Barclays	25	538	−15	Marks & Spcr.	22	227	+2

4-DAY ACTIVE STOCKS

Based on bargains over the four-day period ending Thursday

Stock	No. of changes	Last Thur. close	Change on week	Stock	No. of changes	Last Thur. close	Change on week
Cable & Wire.	137	725	+40	Woolworth	110	880	+250
Std. Chartered	130	642xd	+89	ICI	109	952	—
Tricentrol	122	76	+4	Britoil	106	178xd	+17
Shell Transport	120	776xd	+30½	Ultramar	106	188xd	+24½
BAT Industries	115	405xd	+22½	Brit. Aerospace	104	592xd	+29
STC	110	136	+4	Marks & Spcr.	101	227	+15

LEADERS AND LAGGARDS

Percentage changes since December 31, 1985 based on Thursday, April 3, 1986

Textiles	+48.97
Motors	+42.44
Metals and Metal Forming	+37.66
Mining Finance	+35.26
Building Materials	+33.44
Other Industrial Materials	+32.06
Tobaccos	+31.78
Health & H'sehold Products	+30.10
Packaging and Paper	+29.80
Publishing and Printing	+28.65
Electricals	+28.83
Stores	+28.62
Captial Goods	+28.55
Mechanical Engineering	+28.42
Leisure	+28.20
Insurance (Composite)	+28.18
Contracting, Construction	+26.81
Merchant Banks	+26.28
Consumer Group	+25.63
Office Equipment	+24.94
Industrial Group	+24.77
Chemicals	+24.45
Banks	+23.72
Brewers and Distillers	+22.64
500 Share Index	+22.45
Shipping and Transport	+22.42
All-Share Index	+21.88
Financial Group	+19.79
Other Groups	+19.25
Food Manufacturing	+19.14
Electronics	+19.08
Overseas Traders	+17.35
Investment Trust	+17.09
Telephone Networks	+16.65
Gold Mines Index	+16.30
Insurance (Life)	+14.66
Property	+12.31
Food Retailing	+10.22
Insurance Brokers	+9.13
Oils and Gas	+8.43

NEW HIGHS AND LOWS FOR 1986

NEW HIGHS (234)

BRITISH FUNDS (13). CORPORATION LOANS (1). AMERICANS (2). CANADIANS (1). BANKS (9). BREWERS (5). BUILDINGS (6). CHEMICALS (3). STORES (11). ELECTRICALS (18). ENGINEERING (13). FOODS (11). HOTELS (1). INDUSTRIALS (57). INSURANCE (4). LEISURE (5). MOTORS (3). NEWSPAPERS (3). PAPER (9). PROPERTY (16). SHIPPING (1). SHOES (1). TEXTILES (4). TRUSTS (27. OILS (1). OVERSEAS TRADERS (2). PLANTATIONS (2). MINES (5).

NEW LOWS (28)

FOREIGN BONDS (6) Chinese 4½pc 1898 Do. 5pc 1912. Do. 5pc 1913. Greek 7pc Ass., Do. 6pc Stb. Bds. 1928 (Assd). Do. 4pc Mixed Ass. AMERICANS (2) Microcomputer Memories, US Steel. CADADIANS (1) Breakwater Resources. BANKS (1) MCorp. ELECTRICALS (6) Checkpoint Europe. Dubilier, Norbain Elect., Pifco A. Powerline Intl., Telecomputing. INDUSTRIALS (3) Courtney Pope, Fitzwilton, Tech. Computer Inds. LEISURE (1) Really Useful. NEWSPAPERS (1) Metal Bulletin. PAPER (1) Craton Lodge. TEXTILES (1) SEET. OILS (3) KCA Drilling, Night Hawk Resources, Triton Europe. MINES (2) Carr Boyd, Tronoh Mines.

TRADITIONAL OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar 17	Apr 4	June 26	July 7
Apr 7	Apr 18	July 10	July 21
Apr 21	May 2	July 24	Aug 4

For rate indications see end of Unit Trust Service

Call options were transacted in Magnet and Southern, Sound Diffusion, F. J. C. Lilley, Charterhall, Audiotronic, Thomas Borthwick, Abaco, Barratt Developments, Sears, Norfolk Capital, Yorkshire Chemical, Bridon, Farnell, Trusthouse Forte, Micro Focus, Standard Chartered, Morgan Crucible, Marshalls Universal, Sunleigh, Raine Industries, Unigroup, Woolworth, Britoil and Cable and Wireless. Puts were done in Pollypeck and Amstrad, while double options were arranged in Bowater and John Crowther.

STOCK EXCHANGE DEALINGS

STERLING ISSUES BY FOREIGN GOVERNMENTS AND INTERNATIONAL INSTITUTIONS

CORPORATION & COUNTY

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS (coupons payable in London)

STERLING ISSUES BY OVERSEAS BORROWERS

BANKS, DISCOUNT

BREWERIES

COMMERCIAL, INDUSTRIAL

A—B

C—D

E—F

G—H

I—K

L—M

N—P

Q—R—S

T—U

STOCK EXCHANGE DEALINGS

[illegible]

RULE 535 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List

ACI Intal 168 (1/4)
AOG Minerals 3
Acorn Securities 18
Advanced Micro Devices £18¾ø
AECI 2250
Aetna Life and Casualty £44½ (1/4)
Agnico-Eagle Mines £11⅞ (2/4)
Alexanders Securities 100 11
Allied Stores £50¼ (27/3)
Amatil 360
Amerada Hess US$21½ø (1/4)
American Can $76¼ø (2/4)
Amoco £39¼ø (1/4)
Ampol 116
Amsterdam-Rotterdam Bank £27¼ø 7 Fl 107.40
Anglo Gold Mines 3½ (1/4)
Anheuser-Busch Cos £32.400 $47 (27/3)
Anixter Bros £17
Applied Magnetics £16¾

RULE 535 (2)

Applications granted for specific bargains in securities not listed on any exchange

Airship Inds. (12½p) 31 ½ ¼
Airsprung (10p) 70½ 2 (2/4)
Alliance Bldg. Soc. 12⅞pcBds due7-5-86 £99.886pc
All England Lawn Tennis Gnd. £500Dbs. 1981-85. Do. £500Dbs 1986-90 (F.P.) £16,000 150 (27/3)
Amphoterics (1p) (F.P.) 135 (¼)
Anglo-Am Agric. 47 9 (2/4)
Ann Street Brewery (£1) 360 5 (27/3)
Ansafone Corp B (£1) 10. Do CumPr (£1) 20. Do 16pcLn 1990 £76pc
Appleton (10p) 14 ⅛
Astra Hldgs 208 9
Barbican Hldgs (1p F.P.) 3 4 4½ 5
Berkeley 7th Round (£1) 7
Cambridge Inst. (5p) 105 10 (2/4)
Central ITV (50p) 257 ⅛ 20-32th 77 79
Channel Hotels and Props (10p) 134 (1/4)
Ciba-Geigy 8¼pcCnvGtdLn 1982-95 (£100) £407pc (2/4). Do 6pcGtdLn 1981-94 (£100) £495½pc (2/4)
Dart Valley Light Rlwy (£1) 135 (27/3)
Dawson (Wm) (10p) 424 6 (2/4)
Dolamore Hldgs (10p) 20
Eadie Bros A (50p) 100 ¼
Explaura Hldgs (5p) 4½ 5 29-64ths
Flightspares (10p) 745 8 (27/3)
GRI Elects. (10p) 394
Grampian TV (10p) 40 4 (2/4)
Greenstar Hotels (10p) 35⅞ 6 (1/4)
Hard Rock Cafe (2p) 75 (1/4)
Harvard Secs. (2p) 33
Home Brewery 757 62 (27/3)
Hospital Capital Corp (£1) 100
Hugin (10p) 218 21 (27/3)
ICE (1p) 750 60 63 70 800 804 820
Island Garages (10p) 7
Kunick Leisure 37 ½ ¼ ½
Le Riches Stores (£1) 565 72
Liverpool FC (£5) £245 55
Lon. and Overseas Land (20p) 73 ⅛ (1/4)
Lome Expln. (£1) 45 (27/3)
Lovat Oil and Gas (20p) 3 (1/4)
Merlin Int. Prop. 45 (27/3)
Merrett (10p) (A/E) 256 ½ 8
Midland City Part. (10p) 250 55
Minch Norton (Irc.) (I£) 112 3½ (27/3)
Nationwide Leisure 8¼pcCumPf (20p units) 6 ½
Norton Villiers Triumph (10p) 1
OCS Grp A (50p) £13 (27/3). Do. B (50p) £13 (27/3)
Oldham Ests. (50p) 91 ½
Oodies (10p) 24
Ouvah Highfields (£1) 85 90 (27/3)
Parker (F.) (10p) 19½
Rangers FC (£1) £12½ (2/3)
Red Rose Radio Do A N/V (10p) 30
Shepherd Neame A (£1) 630
Sinclair Research 58 60
Sonic Tape (£0.0025) ¾
Southern Newspaper (£1) 212 15 18
Star Offshore Services (50p) 20½ 1
Sutton Harbour Improvement 4pcPf NV 430
Taddale Invs. (10p) 5 ¼ ½ 6
Thwaites (Daniel) (£1) 615 23
Utd. Trust and Credit (£1) 415 20 5
Wadworth 9½pcPf 99½ 100 (2/4). Do. A (£1) 321½ (1/4)
Weetabix A (NV) 153¼
Welsh Inds. Inv. Tst (5p) 23
Winchmore 44 5 (1/4)

RULE 535 (3)

Dealings for approved companies engaged solely in mineral exploration

North West Oil Gas (20p) 4 (21/3)
Celtic Basin Oil Expln (£1) ½ 2½
North West Oil and Gas (20p) 1¼ (2/4)

MINES—SOUTH AFRICAN

Coronation Syndicate (R0.25) 55 6½ (27/3)
OAB Inv (R0.01) 205 (2/4)

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

AUTHORISED UNIT TRUSTS & INSURANCES

Stewart Ivory Unit Trust Mgrs Ltd (a)
45 Charlotte Sq, Edinburgh 031-225 3271

American Fund	221.1	235.5	−0.5	2.16
(Accum. Units)	248.2	265.5	−0.5	2.16
(Withdrawal Units)	160.8	170.5	−0.4	2.16
Australian Fund	123.3	131.3	+1.9	1.01
(Accum. Units)	124.6	132.5	+2.0	1.01
British Fund	580.4	618.2	+2.1	4.30
(Accum. Units)	781.7	832.7	+2.8	4.30
European Fund	256.3	273.0	+3.0	0.90
(Accum. Units)	269.8	287.5	+3.2	0.90
Japan Fund	253.1	269.6	+1.5	0.39
(Accum. Units)	254.3	271.6	+1.6	0.39
Saints PPP	157.2	165.5		—

Sun Alliance Fund Management Ltd
Sun Alliance House, Horsham 0403 56293

Equity Tst	407.7	433.7	−1.3	1.90
North America	57.9	61.6	+0.2	1.11
Far East	64.0	68.0	+0.5	0.34

Sun Life Trust Mgmt. Ltd
107 Cheapside, London EC2V 6DU 01-606 6010

American Growth Acc.	31.6	33.6	+0.2	1.4
American Income Acc.	30.7	32.7	..	5.5
American Income Inc.	30.3	32.3	..	5.5
European Growth Acc.	46.7	49.7	+0.4	0.8
Far East Growth Acc.	35.7	38.0	−0.1	0.6
Int. Growth Acc.	32.2	34.3	+0.2	2.0
Japan Growth Acc.	44.4	47.2	−0.4	0.1
UK Growth Acc.	37.0	39.4	+0.3	2.7
UK Income Acc.	32.6	34.7	+0.3	5.3
UK Income Inc.	31.9	33.9	+0.3	5.3
Managed Growth Acc.	32.2	37.0	−3.9	3.5
Managed High Yield Inc.	45.2	49.1	+0.7	7.0
Managed Income Inc.	34.8	37.0	+0.3	3.4

Swiss Life Pen. Tst. Man. Co Ltd (a)(c)
99-101 London Rd, Sevenoaks 0732 450161

Equity Dist.*	283.3	299.7	..	3.26

Arrow Life Insurance Co Ltd
401 St John St, London EC1V 4QE 01-833 2303

Life Funds (Accumulator Units)

Squirrel	10.37	10.92	...	—
Bear	11.25	11.85	...	—
Owl	11.91	12.54	...	—
Bull	12.41	13.07	...	—
Stag	11.94	12.57	...	—
Gilt-Edged		10.81	...	—
Deposit		9.56	...	—

Pension Funds (Accumulator Units)

Squirrel	10.90	11.48	...	—
Bear	12.05	12.69	...	—
Owl	12.91	13.59	...	—
Bull	13.68	14.41	...	—
Stag	13.07	13.76	...	—
Gilt-Edged		10.77	...	—
Deposit		9.60	...	—

Exempt Approved

Mixed Managed	131.58	134.27	...	—

Albany Life Assurance Co Ltd
3 Darkes Lane, Potters Bar 0707 42311

Equity Fd. Acc.(z)	717.2	754.9	+11.4	—
European Fd Accum(z)	186.7	196.5	−1.3	—
Fixed Int. Acc.(z)	303.5	319.4	−0.5	—
Gtd. Money Fd. Ac.(z)	195.1	205.3	+0.1	—
Intl. Man. Fd. Acm.(z)	289.0	304.2	−1.7	—
Intl Fxd Int Fd Acc(z)	173.9	182.9	−0.9	—
Japan Fund(z)	204.2	214.9	−2.4	—
Nth American Fd Acc(z)	160.9	169.3	...	—
Prop. Fd. Acc.(z)	197.8	208.2	...	—
Multiple Inv. Acc.(z)	498.2	524.3	+3.4	—

Pension Funds

Eq Pen Fd Acc(z)	1300.2	1368.6	+29.5	—
Euro Fd Acc(z)	233.3	245.5	−2.1	—
Fixed Int. Acc.(z)	567.8	597.6	−1.2	—
Gt Money Pn Acc(z)	313.6	330.1	+0.1	—
Intl Man Fd(z)	403.5	424.7	−3.3	—
Jap Pen Fd Acc(z)	259.6	273.2	−4.0	—
N Am Pe Fd Acc(z)	19.0	300.0	−0.1	—
Property(z)	288.3	303.4	...	—
Mlple Inv Pens Acc(z)	923.2	971.8	+9.1	—

Allied Dunbar Assurance Plc
Allied Dunbar Ctr, Swindon SN1 1EL 0793 28291

Fixed Int. Dep. Acc.	215.5	226.9	.	—
Equity Acc.	635.9	669.4	.	—
Property Acc.	310.6	327.0	..	—
Far East Acc.	126.4	133.1	...	—
Managed Cap	311.9	328.4	...	—
Managed Acc.	503.7	530.3	.	—
O'seas Earnings Acc.	426.5	449.0	...	—
Gilt Edged Acc.	269.8	284.0		—
American Equity Acc.	356.8	375.6		—
American Man. Acc.	169.5	178.5		—
American Prop Acc.	124.0	130.6	...	—

Clerical Medical Managed Funds Ltd
15 St James's Sq, London SW1Y 4LQ 01-930 5474

Cash	164.0	164.0	+0.4	—
Mixed	278.7	285.7	+7.1	—
Fixed Interest	245.2	248.9	+7.2	—
UK Equity	332.3	342.3	+9.6	—
Property	145.8	152.4	+0.1	—
Overseas	268.3	281.7	+2.8	—
Index Linked	117.5	119.3	+2.3	—
Stock Exchange	160.0	164.0	+4.0	—

Prices on April 2. Unit dealings on Weds

Colonial Mutual Group
24 Ludgate Hill, London EC4P 4BD 01-248 9861

CML (Unit Assurances)

Key		149.87	...	—
Pacemaker		176.25	...	—
Cash	118.07	124.29	...	—
Equity	225.58	237.37	...	—
Fixed Interest	167.47	176.29	...	—
Managed	195.92	206.23	...	—
Property	178.75	188.16	..	—

CML (Pension Annuities)—Rainbow Plans

Cash Cap	112.37	118.29	+0.16	—
Cash Inv	121.39	127.79	+0.26	—
Equity Cap	294.40	309.91	+8.94	—
Equity Inv	318.04	334.79	+9.88	—
Fixed Int Cap	181.54	191.10	+0.86	—
Fixed Int Inv	196.12	206.45	+1.08	—
Index Link Cap	106.41	112.02	+0.90	—
Index Link Inv	114.95	121.01	+1.05	—
Managed Cap	225.93	237.82	+4.99	—
Managed Inv	244.07	256.92	+5.55	—

Commercial Union Group
St Helen's, 1 Undershaft, London EC3 01-283 7500

Var Am April 4		52.63	−0.89	—
Var (Acc) April 5		268.15	+6.13	—

Prime Series—Life

Managed	226.1	238.1	−0.4	—
UK Equity	257.7	271.3	+1.3	—
Int Equity	165.2	173.9	+0.5	—
Property	123.3	129.8	..	—
Fixed Int	145.1	153.0	−1.9	—
Index Lkd Gt	97.0	102.2	+1.2	—
Investment Tst	129.2	136.0	−1.1	—
Cash	117.0	123.2	...	—

Prime Series—Pensions

Managed	224.2	236.1		—
UK Equity	261.1	274.9	+1.9	—

Friends' Provident Life Office
Pixham End, Dorking (0306) 885055

Life Funds

Cash Accum	114.3	120.4	+0.1	—
UK Eq Acc	183.3	193.0	−0.3	—
Stewardship Acc	158.4	166.8	+0.6	—
Fixed Int Acc	129.7	136.6	−1.0	—
Index Linked Acc	96.4	101.5	+1.1	—
Mixed Acc	153.3	161.4	−0.2	—
Overseas Eq. Fund	149.7	157.6	+0.2	—
Property Acc	131.4	138.4	+0.2	—

Individual Pension Funds

Cash Cap	114.3	120.4	—	—
Cash Acc	126.9	133.6	...	—
UK Eq Cap	173.8	183.0	...	—
UK Eq Acc	192.1	202.3	...	—
Stewardship Cap	164.0	172.7	...	—
Stewardship Acc	174.5	183.7	...	—
Fixed Int. Cap	132.4	139.4	...	—
Fixed Int. Acc	146.4	154.2	.	—
Index Linked Cap	87.9	92.6	..	—
Index Linked Acc	97.3	102.5	...	—
Mixed Cap	148.1	155.9	..	—
Mixed Acc	163.8	172.5	...	—
Overseas Fund Cap	158.6	167.0	.	—
Overseas Acc	175.5	184.8	.	—
Property Cap	102.1	107.5	..	—
Property Acc	113.0	119.0		—

Managed Pension Fund—prices on request

GT Management Ltd
8th Floor, 8 Devonshire Sq, EC2 01-283 2575

GT Plan Scod Fund	180.0	189.5	+0.6	—
GT Pln High Yld Fnd	191.4	201.5	+0.9	—
GT Plan Far East Fnd	147.1	154.9	−3.2	—
GT Plan N Am Fund	148.6	156.5	−0.5	—
GT Pln UK&G.E. Fnd	249.8	263.0	+0.3	—
GT Pln Wrldwde Fnd	246.7	259.7	−2.4	—
GT Pension Bnd Fnd	207.6	218.6	+0.6	—
GT Pen High Yld Fd	236.7	249.2	+1.2	—
GT Pen Far East Fd	204.1	214.9	−5.0	—
GT Pen. N. Am. Fd	220.9	232.6	−0.9	—
GT Pen UK & G.E. Fd	304.3	320.4	+0.5	—
GT Pen Worldwide Fd	277.8	292.5	−2.7	—

Prices for Accum Units only

General Accident Linked Life Assurance(z)
20/24 Addiscombe Rd, Croydon CR9 5BS 01-686 0411

Managed	107.1	112.7	+0.1	—

Imperial Life Ass. Co of Canada
Imperial Life House, London Rd, Guildford 571255

Growth Fund	262.2	285.0	+3.4	—

Unit-Linked Portfolio

Managed Fd.	244.0	256.8	+1.1	—
Fixed Int. Fd.	213.0	224.2	+0.1	—
Secure Cap Fd.	163.9	172.5	+0.1	—
Equity Fd.	535.1	563.3	+6.2	—
Property Fd.	171.0	180.1	+0.1	—

Pension Fund Portfolio

Pens Mn Fd Series 1	241.6	262.6	+1.5	—
Pens Mn Fd Series 2	241.6	254.3	+1.5	—
Pens Property Fd	109.2	115.0	+0.2	—
Pens Gilt-Edged Fd	119.7	126.0	...	—
Pens Ind-Link Fd	103.7	109.2	+0.5	—
Pens Money Mkt Fd	108.8	114.5	+0.1	—
Pens UK Equity Fd	185.6	195.4	−1.5	—
Pens Ind. Fd.	207.2	218.1	+2.8	—
Pens Mtge Rate Gtee Fd	178.6	188.0	...	—

Imperial Life (UK) Ltd
Imperial Life House, London Rd, Guildford 571255

Imperial Investment Portfolio

Managed Fd.	147.4	155.1	+0.7	—
Gilt-Edged Fd.	123.5	130.0	...	—
Property Fd.	140.8	148.3	+0.1	—
High Yield Fd.	163.8	172.4	+0.3	—
Money Mkt. Fd.	112.5	118.5		—
Ind-Link Gilt Fd	100.7	106.0	+0.2	—
UK Equity Fd.	210.6	221.7	+1.9	—
Intl. Equity Fd	180.9	190.4	+0.2	—
Japan Fund	143.4	150.9	−1.5	—
N. America Fd.	108.8	114.5	+0.9	—

Irish Life Assurance Co Plc
Lombard House, 20 Chiswell St, EC1 01-638 1731

Property Modules	262.6	276.4	...	—
Property Modules Gth.	362.3	381.3	...	—
Ppty. Mod. Gth. Ser. 2	167.4	176.2	...	—
Ppty. Mod. Gth. Ser. 3	170.9	179.8	...	—
Blue Chip	180.9	190.4	...	—
Blue Chip Series 2	283.2	298.1	...	—
Blue Chip Series 3	282.6	297.5	...	—
High Income Series 3	923.3	971.9	...	—
Managed	637.4	670.9	...	—
Managed Series 2	252.6	265.9	...	—
Managed Series 3	249.4	262.5	...	—
Global Managed	289.0	304.2	...	—
Global Property	129.3	136.1	...	—
Global Fixed Interest	268.5	282.6	...	—

London Life—Continued

Pensions

Equity (P)		357.0	...	—
Fixed Int. (P)		249.1	...	—
Property (P)		167.8	...	—
Deposits (P)		156.1	...	—
Mixed (P)		257.9	...	—
Index Stock (P)		126.0	...	—
International (P)		161.0	...	—

London & Manchester Group
Winslade Park, Exeter EX5 1DS 0392 52155

	Cap	Acc		Rd B/C
Investment Trust Fd(z)	390.5	456.0	+2.2	491.3
Property Fd (z)	122.8	141.6	...	151.4
Fixed Interest Fd (z)	159.2	176.4	...	190.5
Equity Fd (z)	205.3	236.7	+1.7	241.7
International Fd (z)	164.9	189.8	−0.4	193.7
American Fd(z)	132.3	155.8	+0.3	155.9
Japan Fd(z)	143.4	147.1	−0.9	148.4
Gtd Deposit Fd (z)	145.5	166.4	+0.1	168.8
Flexible Fd (z)	254.8	294.3	+1.9	311.0
Moneymaker Fd (z)		236.0	+0.6	—
Capital Growth Fd (z)		704.2	+4.3	—
Exempt Inv Tst Fd(z)	637.3	750.1	+2.6	—
Exempt Inv Non Sls(z)		732.0	+2.6	770.5
Exempt Ppty Fd(z)	211.6	249.3	...	—
Exempt Ppty Non Sls(z)		243.0	...	255.6
Exempt Fixed Int Fd(z)	133.5	156.8	+0.5	—
Exempt Equity Fd(z)	203.9	239.5	+1.3	—
Exempt Gtd Dep Fd(z)	117.4	138.0	...	—
Exempt Flex Fd(z)	375.5	442.0	+1.2	—
Exempt Flex Non Sls(z)		431.2	+1.2	452.9
Exempt Mixed Fd(z)	151.0	160.6	+0.6	—

M & G Group
Three Quays, Tower Hill, EC3R 6BQ 01-626 4588

Amer Bond (Acc)	206.4	216.8	−0.9	—
Amer Rec Bond (Acc)	257.9	270.9	+1.2	—
Amer Smlr Co Bd (Acc)	118.1	124.2	+1.1	—
Australasian Bd (Acc)	103.0	108.3	+1.0	—
Commodity Bond (Acc)	125.0	131.3	+7.2	—
Deposit Bond (Acc)	209.3	219.8	...	—
Equity Bond (Acc)	526.3	552.7	+2.8	—
Equity Bond Bonus	228.2	239.7	+1.2	—
European Bond (Acc)	144.0	151.3	+1.1	—
Extra Yld Bd (Acc)	282.9	297.2	+1.8	—
Far Eastern Bond (Acc)	92.7	97.5	+1.6	—
Gilt Bond (Acc)	252.8	265.5	−0.7	—
Gold Bond (Acc)	87.8	92.4	+0.2	—
High Yield Bond (Acc)	209.0	219.5	+1.0	6.08

Norwich Union Insurance Group
PO Box 4, Norwich NR1 3NG 0603 622200

Managed Funds

Managed Fund	657.3	691.8	−1.8	—
Equity Fund	1299.6	1367.8	+1.8	—
Property Fund	293.7	309.1	+0.1	—
Fixed Int. Fund	347.1	365.3	−4.1	—
Deposit Fund	191.2	201.2	+0.1	—
International Fund	117.1	123.2	+0.2	—

Norwich Union Life Insurance Society Pensionmaster & Unit-Linked Plus

Fixed Interest*	237.7	250.2	...	—
Index Linked Secs*	120.9	127.2	...	—
Ord Share*	354.8	373.6	...	—
International Fund*	114.5	120.5	...	—
Property*	144.4	154.1	...	—
Deposit*	146.1	153.7	...	—
Mixed*	261.3	275.0	...	—
Nor Units Mar 14		700.0	...	—

*Prices at March 27.

PBR Fund Management Ltd
146a Queen Victoria St, EC4V 5AP 01-236 4070

Fled-Bond	115.4	121.2	...	—

Pearl Assurance (Unit Funds) Ltd
252 High Holborn, London WC1V 7EB 01-405 8441

Prop. Dist. (Gross)(z)	134.3	141.5	(z)	—
Prop. Acc. (Gross) (z)	204.7	215.5	(z)	—
Equity (Gross) (z)	531.9	564.2	(z)	—
Managed (Gross) (z)	389.6	403.8	(z)	—
Prop. Acc. (Net) (z)	95.1	100.1	(z)	—
Equity (Net) (z)	115.3	121.4	(z)	—
Managed (Net) (z)	111.4	117.3	(z)	—
International (Net) (z)	113.7	119.7	(z)	—

Pearl Assurance (Unit Linked Pens) Ltd

Ret Man (Series 1) (z)	350.8	369.3	(z)	—
Ret Man (Series 2) (z)	118.3	124.4	(z)	—
Ret Cash (z)	100.1	105.4	(z)	—

Phoenix Assurance Co Ltd
Phoenix House, Redcliff Hill, Bristol 0272 294941

Life Assurance Funds

Wealth Assur.	355.2	374.0	...	—
Ebr Ph. Eq.	252.0	267.0	...	—

Pension Plan Funds

Phoenix

UK Equity Acc.	145.0	152.4		—
International Acc.	126.1	132.7	−1.2	—
Property Acc.	102.4	107.7		—
Fixed Interest Acc.	132.7	139.6	−1.7	—
Money Acc.	108.8	114.5	+0.1	—
Bldg. Soc. Link Acc.	110.0	115.7	+0.1	—
Special Mngd. Acc.	131.1	138.0	−0.6	—

Prudential Assurance Co
Holborn Bars, London EC1N 2NH 01-405 9222

Managed April 2	277.4	294.5	...	—

Prudential Pensions Limited
Holborn Bars, London EC1N 2NH 01-405 9222

Discretionary Fd Apr 2	£100.43	106.09	...	—
Equity Fund Apr 2	£107.46	116.99	...	—
Intl Fund April 2	£18.42	18.99	...	—
Fixed Int April 2	£57.86	58.63	...	—
Index Linked April 2	£42.55	43.12	...	—
Property Fund Apr 2	£61.36	63.26	...	—
Cash Fund April 2	£15.13	£15.14	...	—

Pru-Linked Retirement Plan

Managed Fd	249.00	259.40	...	—
Cash Fd	145.3	151.40	...	—

Prudential Pensions Investment Account

Pens Managed Fd Apr 2	96.6	101.7	...	—
Pens UK Eqty Fd Apr 2	101.9	107.3	...	—
Pens Intl Fd Apr 2	95.1	100.2	...	—
Pens Fxd Int Fd Apr 2	98.8	104.1	...	—
Pen Index Lk Fd Apr 2	97.0	102.2	...	—
Pens Cash Fd Apr 2	95.1	100.2	...	—

Reliance Mutual
Reliance House, Tunbridge Wells, Kent 0892 22271

Capital Deposit Fd	221.2	232.9	+7.3	—
Capital Equity Fd.	199.6	210.1	+3.4	—
Capital Managed Fd.				—
Capital Property Fd.	102.3	107.7	+0.1	—
Deposit Fund Acc.	221.4	233.0	+7.4	—
Equity Fund Acc.	199.8	210.3	+3.7	—
Managed Fd Acc.		396.6		—
Prop Fd. Acc (1st Inv)	124.3	130.8		—

RL Pension Funds

Deposit Cap	110.7	116.6	+0.2	—
Deposit Acc.	119.3	125.6	+0.3	—
Equity Cap.	150.2	158.2	+6.6	—
Equity Acc.	158.8	167.2	+6.5	—
Fixed Int Cap.	116.7	122.9	−0.7	—
Fixed Int Acc.	126.4	133.1	−0.6	—
Gilt Index Lnk Cap.	96.0	101.1	+1.8	—
Gilt Index Lnk Acc.	103.4	108.9	+2.0	—
Managed Cap.	138.8	146.2	+4.0	—
Managed Acc.	146.0	153.7	+2.7	—

Royal Life Insurance Ltd
New Hall Place, Liverpool L69 3HS 051-227 4422

Royal Shield Fd.	515.3	545.2	−0.4	—

Royal Life (Unit Linked Assurances) Ltd

Managed Fund	211.3	222.4	+0.7	—
Equity Fund	260.7	274.4	+0.1	—
Property Fund	142.8	150.3	+0.9	—
International Fund	264.5	278.4	−0.1	—
Pacific Basin	129.3	136.1	+1.2	—

INSURANCES

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

[illegible]

World Fund S.A.
2 Boulevard Royal, Luxembourg

World Fund NAV	$26.52		-0.15	—

World Wide Growth Management◊
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$15.94			—

Inv. Adv. M. & G. Inv. Mngt., Ltd, London

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Advanced Tech	$14.89	—	—
Dynamic Gwth Fd	$14.60	—	—

Zero Bond Fund Limited
PO Box 208, St Peter Port, Guernsey 0481 26268

Zero Bond Fund	$11.84	12.55		—

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
The Charities Deposit Fund 77 London Wall, London EC2N 1DB 01-588 1815				
Deposit	11.55		—	3-Mth
The Money Market Trust 63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fnd	11.55	8.65	12.67	6mth
7-day Fnd	11.81	8.85	12.96	6mth
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fnd	11.32	8.46	12.34	6-Mth
7-day Fund	11.58	8.66	12.64	6-Mth
Dollar	6.31	—	—	6-Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
Adam & Co. plc 22 Charlotte Sq, Edinburgh EH2 4DF 031-225 8484				
Full Service Cur Acc	11.00	8.00	11.77	Qtr
Aitken Hume 30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	11.00	8.22	12.12	Qtr
Mth. Int. Chq.	11.00	8.22	12.20	Mth
Allied Arab Bank Ltd 97-101 Cannon St, London, EC4N 5AD 01-283 9111				
HIBCA	12.10	9.04	13.28	Mth
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-628 85[illegible]				
Money Mkt Cheque Acc	10.75	8.03	11.74	
Barclays Prime Account PO Box 125, Northampton 0604 252[illegible]				
High Int. Cheque	10.75	8.00	11.78	
Britannia Investment Services Ltd. 74-78 Finsbury Pavement, EC2A 1JD. 01-588 2777				
Cater Allen	11.00	8.22	12.1993	Mth
Charterhouse Japhet plc 1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	11.50	8.60	12.78	Mth
U.S. Dollar	7.25	7.25	7.50	Mth
German Marks	4.25	4.25	4.33	Mth
Swiss francs	1.50	1.50	1.51	Mth
Japanese Yen	5.00	5.00	5.12	Mth
Citibank Savings St Martins Hse, Hammersmith Grove 01-741 4941				
Money Market Plus	25,000+	8.20	12.14	Mth
For other rates please 'phone our Rateline 01-846 9768				
Co-operative Bank Cheque & Save 78-80 Cornhill EC3 01-626 6543				
£500-£2,500	8.03	6.00	8.77	Qtr
£2,500 +	10.72	8.01	11.79	Qtr
Dartington & Co Ltd Dartington, Totnes, Devon TQ9 6JE 0803 862271				
Money Mkt Acc	11.00	8.22	12.11	Qtr
Edward Manson & Co Ltd 9 Henrietta Place W1M 9AG 01-631 3313				
Cheque Deposit Acc	11.50	8.59	12.76	Mth
Henderson/Bank of Scotland 38 Threadneedle St EC2P 2EH 01-628 8060				
Money Mkt. Cheque Acc.	10.75	8.03	11.74	Mth
Legal & General (Money Mngrs) Ltd 355 Euston Road, NW1 3AG 01-388 3211				
High Int Dep Acc	12.04	9.00	12.96	6-mth
Lloyds Bank PLC 71 Lombard St, London EC3P 3BS 01-626 1500				
HighIntCheque Account	10.75	8.25	12.16	Qtr
Lombard North Central PLC 17 Bruton St, W1A 3DH 01-409 3434				
14-Day Notice	11.25	8.409	12.013	—
M & G/Kleinwort Benson 91-99 New London Rd, Chelmsford. 0245 51651				
H.I.C.A. (£2,500+)	11.00	8.22	12.21	Daily
Midland Bank plc PO Box 2, Sheffield. 0742 20999 Ext 8655				
High Int Chq Acc	10.70	8.00	11.78	Qtr
£10,000 +	11.04	8.25	12.16	Qtr
Oppenheimer Money Mgmnt Ltd 66 Cannon St, EC4N 6AE 01-236 1425				
Money Mngt. Acct	11.00	8.22	—	3-Mth
Phillips & Drew Trust Ltd 120 Moorgate, London EC2M 6XP 01-628 9771				
High Int Chq Acc	11.125	8.32	12.08	Qtr
Provincial Trust 30 Ashley Rd, Altrincham, Cheshire 061-928 9011				
High Int Chq Acc	11.75	8.78	13.06	Mth
Royal Bank of Scotland plc 24 Lombard St, London EC3V 9BA 031-557 0201				
Premium Account	11.00	8.22	11.94	Qtr
Save & Prosper/Robert Fleming 28 Western Rd, Romford RM1 3LB. 0708 66966				
H.I.B.A.	10.83	8.10	11.98	Daily
Tyndall & Co 29-33 Princess Victoria St, Bristol 0272 732241				
Demand Acc	11.21	8.38	12.36	Qtr
Money Acc	11.20	8.37	12.34	Qtr
J. Henry Schroder Wagg & Co Ltd Enterprise House, Portsmouth 0705 827733				
Special Acc	10.75	8.04	11.91	Mth
Over £10,000	11.00	8.22	12.20	Mth
Western Trust & Savings Limited The Moneycentre, Plymouth PL 1SE 0752 24141				
High Int Chq Acc	11.75	8.78	12.96	Qtr

NOTES—Gross: rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Gr Equiv CAR: Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr: frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ◊ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ◊ Yield column shows annualised rates of NAV increase. xd ex dividend.

TRADITIONAL OPTIONS

3-month call rates

Industrials	p		p
Allied-Lyons	28	Marks & Spencer	18
BAT	38	Midland Bk	44
BOC Grp	32	NEI	11
BSR	14	Nat West Bk	70
BTR	45	P & O Dfd	45
Babcock	20	Plessey	20
Barclays	45	Polly Peck	16
Beecham	32	Racal Elect	37
Blue Circle	55	RHM	28
Boots	26	Rank Org Ord	48
Bowaters	30	Reed Intnl	75
Brit Aerospace	48	Sears	12
Brit. Telecom	17	TI	42
Brown (J.)	3	Tesco	30
Burton Ord	32	Thorn EMI	35
Cadburys	17	Trust Houses	12
Charter Cons.	22	Turner Newall	18
Comm Union	28	Unilever	120
Courtaulds	26	Vickers	40
Distillers	52	Wellcome	19
FNFC	15	**Property**	
Gen Accident	75	Brit Land	16
Gen Electric	17	Land Secs	30
Glaxo	100	MEPC	32
Grand Met	34	Peachey	24
GUS 'A'	75	Samuel Props	18
Guardian	75	**Oils**	
GKN	32	Brist. Oil & Min	$2\frac{1}{2}$
Hanson Tst.	16	Brit Petroleum	48
Hawker Sidd	52	Burmah Oil	30
ICI	50	Chartertall	3
'Imps'	28	Premier	$3\frac{1}{2}$
Jaguar	27	Shell	55
Ladbroke	32	Tricentrol	15
Legal & Gen	79	Ultramar	18
Lex Service	38	**Mines**	
Lloyds Bank	55	Cons Gold	40
Lucas Inds	60	Lonrho	25
		Rio T Zinc	50

A selection of Options traded is given on the London Stock Exchange Report Page.

LONDON SHARE SERVICE

BRITISH FUNDS

1986 High	1986 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
99	95	Treas 3pc 1986	99	+	3.03	11.16
99	99	Exch. 10½pc 1986	99	+	10.51	11.47
100	99	Treas 12pc 1986	100	.....	11.99	11.43
99	98	Treas 8¼pc 1984-86‡‡	99	.....	8.56	11.40
102	100½	Exch. 14pc 1986	102xd	−	13.72	10.29
96	94	Exch. 2½pc 1986	96	+	2.59	8.23
102½	100	Exch. 13¼pc 1987	102	−	12.95	10.06
100	97	Treas 10½pcCv '87	100	−	10.23	9.95
95	92	Exch 2½pc 1987	95	.....	2.63	8.22
100	97½	Exch. 10½pc 1987	100½xd	−	10.45	9.96
97	93	Funding 6½pc '85-87‡‡	97xd	−	6.69	9.42
100	96	Treas. 10pc 1987	100	−	9.99	9.90
93	90	Treas 3pc 1987	93	−	3.21	8.57
103	99	Treas. 12pc 1987	103xd	−	11.64	9.85
97	92	Treas 7¾pc 1985-88‡‡	97	−	7.97	9.41
101	96	Exch 10½pc '88	101xd	−	10.33	9.62
100	95	Treas 9½pc Cv '88	100	−	9.73	9.57
90	86	Transport 3pc '78-88	90	−	3.33	7.97
99	95	Treas. 9½pc '88	99xd	−	9.55	9.76
104	98	Treas 11½pc 1989	104	−	11.01	9.68
101	95	Treas 9½pc Cnv. '89	100xd	−	9.49	9.48
86	82	Treas 3pc 1989	86	−	3.46	7.92
102	95	Treas 10½pc 1989	102	−	10.28	9.67
101	94	Exch. 10pc 1989	101	−	9.90	9.64
104	97	Exch 11pc 1989	104	−	10.58	9.50
89	84	Treas 5pc 1986-89	89xd	−	5.58	8.47
108	94	Exch 10½pcCv '89	107½	−	9.53	7.81
111	103	Treas 13pc 1990‡‡	111	−	11.77	9.43
105	97	Exch 11pc 1990‡‡	105	−	10.48	9.41
110½	101	Exch. 12½pc 1990	109	−	11.37	9.43
83	79	Treas. 3pc 1990	83xd	−	3.59	7.76
97	89	Treas 8¼pc 1987-90‡‡	97	−	8.49	9.06
103	93	Treas. 10pcCv 1990	102xd	−	9.73	9.22
80	76	Exch 2½pc 1990	80	−	3.12	7.66
109	99	Treas 11¾pc 1991	109	−	10.74	9.24

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

AMERICANS—Cont.

[illegible]

CANADIANS

[illegible]

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

BUILDING, TIMBER, ROADS—Cont.

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY & STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INDUSTRIALS—Continued

1986 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
106	82	Midland Marts	104	.....	4.0	2.1	5.4	12.4
78½	61	Mitchell Cotts	66	.....	4.25	1.5	9.1	(9.3)
109	81	Molins & Crane 10p	102	.....	2.7	2.7	3.7	14.0
275	210	Morgan Crucible	259	−1	8.5	1.6	4.6	18.0

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

FINANCE, LAND—Cont.

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

MINES—Continued

O.F.S.

Diamond and Platinum

Central African

Finance

Australians

Tins

Miscellaneous

1986 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
300	200	Cons. Murch. 10c	225	.....	Q80c	3.9	‡
34	28	Emrer Int Ir10p	32	.....	—	—	—
101	70	Greenwich Res	88	−2	—	—	—
143	112	Hampton Areas 10p	112	.....	3.75	0.9	4.5
245	165	Highwood Res	238	.....	—	—	—
£19½	£15⅞	Homestake Mining $1	£16	.....	Q20c	—	0.9
310	185	McFinley Red Lake	200	+2	—	—	—
285	210	Musto Explorations	220	+10	—	—	—
51	40	New Sabina Res C$1	47	−3	—	—	—
260	210	Northgate C$1	222	.....	—	—	—
790	513	RTZ	780	+16	†20.0	2.8	3.7
£164	£115	Do. 9½pcLn '95-2000	£159	+3	Q9½%	14.0	f6.1
950	800	Tara Expln $1	900	.....	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsetable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 29 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ◆ Figures or report awaited.
- ♥ Not officially UK listed: dealings permitted under Rule 535(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- ¶ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ? Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¤ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Figures based on prospectus or official estimates for 1984. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xl ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency

Albany Inv 20p	112	+2	Fin 13% 97/02	£122¼	.....
Craig & Rose £1	£13		Arnotts	370	+5
Finlay Pkg 5p	46	−1	CPI Hldgs	65	.....
Hott (Jos) 25p	770		Carrol Inds.	180	.....
IoM Stm. £1	76		Dublin Gas.	45	.....
			Hall (R & H)	64	
IRISH			Heiton Hldgs.	38	+2
Fund 11¼% 1988	£101¼xd		Irish Ropes	67	
Nat. 9¾% 84/89	£99¾		Unidare	190	.....

"Recent Issues" and "Rights" Page 13

FINANCIAL TIMES
Saturday April 5 1986

Tokyo deal on securities licences

BY CARLA RAPOPORT IN TOKYO

JAPAN AND Britain have reached a partial settlement in their long-running dispute over reciprocal banking and securities licences in their capitals.

Mr Michael Howard Parliamentary Under-Secretary for corporate and consumer affairs said in Tokyo yesterday, Britain was about to invite Nomura Securities, Japan's largest securities house, to apply for a banking licence in London. At the same time, Japan was to invite two British merchant banks, Baring Brothers and County Bank Asia Securities, an associate of the National Westminster group to apply for securities licences in Tokyo.

Mr Howard said he expected more foreign banks to receive licences to operate securities activities in Tokyo by the end of the year. The timing and extent of these licences would help to determine whether Britain granted banking licences to the three other Japanese securities firms which had applied for them. They are Nikko, Daiwa and Yamaichi Securities.

"We are hoping that access to Japanese (financial) markets will approach the level of access which the Japanese enjoy abroad," Mr Howard said. Foreign countries started from a position of imbalance with the Japanese, which is why two British businesses had received licences against one Japanese company receiving a UK licence.

The question of reciprocal banking and securities licences has been an issue between Japan and the UK for at least two years. Mr Howard declined to comment on how the questions of supervisory authority over Japanese securities firms had been resolved.

A securities licence would permit a British bank to deal directly in securities and be charged lower commissions for dealing on the Tokyo Stock Exchange.

Mr Howard said the tow countries would now try to co-ordinate the timing of the invitations for licence applications. He indicated that future invitations for applications would be issued at the same time. The next batch of licences, he said, might well contain US and Continental European names, as well as British.

"We would also like to see more foreign seats on the Tokyo Stock Exchange," he said. "Financial liberalisation in Japan is proceeding at a measured pace and would like to see that increased. We would like to (see Japan) concentrate less on quantitative measures. We would prefer to see the concentration on the terms upon which firms qualify for these licences."

On Japan's proposed legislation on investment advice and management, he said Japan intended to give only a limited number of licences to foreign companies, with the balance given to Japanese businesses.

"British firms have unrivalled expertise in this area. Around 78 per cent of US pension funds held overseas are managed from London. I would hope Japanese officials would realise this," he said.

David Lascelles adds: British Petroleum is to be one of the partners of NatWest's County Bank merchant banking subsidiary in its Japanese securities venture. Under Japanese regulations, a commercial bank may not apply directly for a securities licence, but only through an established subsidiary in which it holds no more than 50 per cent.

County will apply through County Asia, a Hong Kong company which will be 25 per cent owned by BP and 25 per cent by the Hong Kong-based Swire group, the Far East trading interests which include Cathay Pacific Airways.

Baring, which does not have a commercial banking licence in Japan, will be able to apply directly through Baring Far East Securities.

Both banks intend to use their licences to build up their securities services for Japanese and overseas clients.

The other UK clearing banks, Barclays, Midland and Lloyds, are also believed to have formed partnerships to set up subsidiaries that would qualify for a licence.

Appointments, Page 8

Hillsdown makes £486m bid for Berisford

By Charles Batchelor

HILLSDOWN HOLDINGS, the food processing group which includes Smedleys and Lockwoods among its brands, yesterday launched a £486m takeover bid for S. and W. Berisford, the sugar refining and commodity trading group.

Berisford said it was considering the offer in the light of discussions with other parties, including Tate and Lyle, the other main British sugar refiner. It plans to advise shareholders soon of its board's views.

The bid is the climax of several weeks' speculation about the future of Berisford during which Hillsdown, Ferruzzi, the Italian food and agricultural company, and Tate have been building up large minority stakes in the company.

Ferruzzi said yesterday it was dropping plans to acquire British Sugar Corporation, the sugar refining arm of Berisford. It has committed its 9 per cent stake in Berisford to the Hillsdown bid. Hillsdown already has a 10.4 per cent stake in Berisford.

Both Ferruzzi and Tate have been restrained from launching bids for Berisford by the prospect that their own sizable sugar interests would prompt the intervention of the British Monopolies and Mergers Commission.

Tate, which also has a 9 per cent stake in Berisford, said last night it was evaluating its position but added: "We are a player and we want to remain a player."

Tate and Berisford are looking at ways of avoiding monopolies objections to a bid by Tate for Berisford.

Berisford last week reported a sharp drop in pre-tax profits to £53m in the year ended September 1985 compared with £80.2m the year before.

Mr Harry Solomons, joint chairman of Hillsdown, said: "We have been interested in Berisford for the past year but decided to bid after considering their audited results. It is a natural fit for us."

Hillsdown has expanded rapidly be a series of small acquisitions since obtaining a stock market quotation in February 1985. It has paid out a total of £35m for 16 private businesses and four quoted companies, most of which faced trading difficulties.

Hillsdown does not see the same scope for improvements at Berisford, which has maintained spending on increasing efficiency, but it hopes to make better use of its Silver Spoon brand name.

Hillsdown said it was prepared to consider a plan by Berisford management headed by Mr Ephriam Margulies, the chairman, to buy out some of its commodity businesses but it would have to take into account all shareholders' interests.

Hillsdown is offering nine of its shares for every 11 Berisford shares. Hillsdown's shares rose 34p to 310p yesterday to value its offer at nearly 254p a share. Berisford's shares rose 18p to 248p, below the level of the Hillsdown bid, suggesting the City does not expect Tate to make a counter offer. Tate's shares fell 5p to 653p.

Hillsdown's processing and distribution businesses include meat, poultry, eggs and canned and frozen foods. It has been diversifying into office equipment, furniture manufacture and property development. It made a pre-tax profit of £33.4m on sales of £1.13bn in 1985.

Background, Page 12

THE LEX COLUMN

Black Horse at Beecher's

While the identity of the bidder for Standard Chartered came as a surprise, the unwelcome approach yesterday was not. For some time it has been clear that Standard was not a bank that could easily defend itself on its record. In the last five years earnings per share fell steadily from just over 100p to 64p in 1984 before staging a partial recovery to 85p in 1985. The shares have underperformed even the banking sector over this period, when investment in banks was generally a rather poor choice.

Standards has been feeling the lack of a strong UK presence both in business and in tax terms because of the need to pay a dividend in theUK. Failing the purchase or development of a UK earnings stream, perhaps a bid from a major clearer was the best solution. From Lloyds Bank's standpoint there is said to be clear logic behind a merger of the two banks. Lloyds appears to be confessing that it has little further to go in the UK, however many estate agent chains may end up trading under the sign of the Black Horse. Internationally, though, it is greedy for banking licences and franchises in parts of the world that LBI never reached.

Greater geographical diversity in itself is an improvement in the risk profile as every prolbem country becomes a smaller part of the expanded whole. Sceptics wonder how much benefit is derived from adding Africa, even deconsolidated, and the Midlde East to Lloyds' existing domain of South America. There is, however, a tremendous scope for rationalisation whtether Llowds moves into Standard's new City greenhouse or merely puts it on the market.

Standard's ACT backlog would shelter some of Lloyds earnings and help to reduce any short-term earnings dilution. At the *suggested 750p*, perhaps half in cash, there should not be much dilution anyway. But with Standard shares at 805p, up 163p yesterday, it would be another matter even with 100 per cent cash, and there might be some asset dilution, too. If Lloyds is thinking in terms of the modish convertible preference takeover, the 22p fall in its own share price to 616p yesterday is already starting to make th eenterprise look a bold one. Apart from finance, the move is about as conservative as any strategist could devise.

Hillsdown/Berisford

Any food manufacturer blessed with a prospective earnings multipleof 18 is going to sit up and take notice when it spots a company in the same line of business trading on exactly half that multiple. Not that S & W Berisford was hard to spot. Its takeover of British Sugar was *one of the more conspicuous* corporate blunders of the early 1980s and its barely disguised buy-out plans only encouraged speculation that someone would pre-empt the management's action. Hillsdown Holdings has duly obliged.

Berisford cannot be best pleased with the Hillsdown bid. *Unlike Ferruzzi, its dashing* Italian suitor, the decidedly unglamorous Hillsdown seems content to wage a contested takeover and is giving no indication that it will allow the Berisford management to walk out with the commodity trading activities. Nor is Berisford well equipped to defend a contested offer. Hillsdown already speaks for a fifth of Berisford's equity and the holders of the remainder may be only too grateful for an opportunity to withdraw from an investment which has performed badly ever since the British Sugar deal.

The emergence of a white knight cannot be excluded, although Berisford's debt burden will be a powerful disincentive. Taking off balance sheet finance together with reported borrowings, the company's financial liabilities must be around £1bn, a figure which rather dwarfs the stated net worth of £340m.

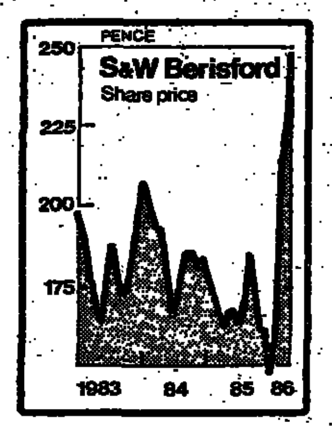
In order to avoid following Elders IXL into the Monopolies Commission on a charge of bidding without due care and attention, any offeror would need to be either very big or very free with its paper.

That consideration alone could rule out the most obvious candidate, Tate & Lyle, which sports a prospective p/e of only 10—scarcely higher than Berisford's—and a balance sheet which could not at present support £1bn of debt. Moreover, Tate would almost uncertainly find itself before the Monopolies Commission on a straightforward competitive charge. And if Tate takes Hillsdown at its word, it may not want to bid in any case. Unlike Ferruzzi, which could have dumped cheap French sugar into the UK market, Hillsdown is apparently aiming to push up domestic prices and so enable Tate to recover its cane refining margin.

Even with an all-paper offer. Hillsdown itself will inherit an uncomfortably geared balance sheet. Pro forma gearing would be about 200 *per cent on the present* terms while combined trading profits of around £200m would be halved by the interest bill. Berisford does, however, own saleable assets and the compensations of the deal to Hillsdown—assets and earnings per hare should both be enhanced by about 50 per cent—evidently *outweigh the financing risks.*

Last night the Berisford share price was trading within striking distance of the Hillsdown offer—in market contrast to the instant hope premiums which have attached to other recent bid targets—and it may be that for once an opening offer wins the day. But no-one should count on it.

Index fell 5.0 to 1420.9



Nomura

Nomura Securities is as happy to take the long view as any other Japanese company but, in its negotiations with the Bank of England over the tricky question of a UK banking licence, Nomura must often have wondered if the matter would be resolved this century. It appears, however, that Nomura will at last be granted its licence and, thanks to changes in the Banking Act, it should become a full bank rather than a licensed deposit taker.

The Bank has insisted all along that the objection to Nomura had little to do with reciprocity and everything to do with the supervisory confusion within Tokyo's Ministry of Finance. This confusion has now been resolved, so it is surely only coincidence that Nomura has been allowed in just as National Westminster and Barings have gained access to securities markets in Tokyo. If reciprocity is indeed not the issue, the other three big Japanese securities houses should also be nailing bank signs to their portals before long. But the Bank has not exactly rushed this issue over the past five years and may proceed with caution for a while yet.

Continental Illinois men agree to pay $20m

By William Hall in New York

MR ROGER ANDERSON, former chief executive of Continental Illinois, the big Chicago bank rescued in 1984 after a run on its deposits, and eight of his colleagues, have agreed to pay $20m (£13.7m) to shareholders of the bank.

The nine bankers, all members of Continental's senior management when it ran into problems with energy lending, had been sued for managing the bank imprudently, failing to disclose its problems promptly and violating securities laws.

The payment, believed to be one of the largest of its kind, is part of a wide-ranging settlement *of the bulk of the extensive* litigation which resulted from the bank's near collapse. The bank has also agreed to pay $25m.

Since the disclosure of Continental's problems, banks across the US have found it increasingly difficult to secure adequate insurance cover for senior management. This settlement is unlikely to ease the problem.

The lawsuits, combined into a single class action, were brought by those who bought shares between September 1, 1981 and July 5, 1982 when the bank's problems began to mount. The difficulties culminated in the collapse of Penn Square Bank, a fast growing energy bank in Oklahoma, which had close ties with Continental.

Shareholders alleged that Continental's top management failed to disclose the bank's financial problems promptly and that they consequently suf*fered a loss on investment.*

The settlement, which has to be agreed by US district judge John F. Grady, would dispose of the bulk of the litigation against Continental and its former managers.

However, the Federal Deposit Insurance Corporation, which had to organise the $4.5bn rescue of Continental, is continuing to sue Ernst & Whinney, the bank's former auditors.

In a joint statement yesterday, the nine said the "settlement arrangements expressly disclaim any admission of wrongdoing by any of these individuals."

Radical school system changes threatened if problems continue

BY DAVID BRINDLE, LABOUR STAFF

CONTINUED failure to resolve the problems facing Britain's schools could force the Government to make radical changes in the education system, Mr Chris Patten, Education Minister, said yesterday.

His warning, in a speech at Cardiff to the annual conference of the Assistant Masters and Mistresses Association, the third biggest teachers' union, was the first public comment *by a government minister on a* possible move to either a centrally directed education service or a market-oriented system.

However, Mr Patten made clear his own strong preference for maintaining what he termed the present "partnership" structure, involving government, education authorities, parents and teachers' unions.

Later, on BBC Radio 4, he said: "I do think we have got to demonstrate during the next few months that we can make the existing system work, otherwise there will, as I say, be considerable arguments for completely changing it."

His speech came at the end of a week in which all three leading teachers' unions had expressed opposition to government policies.

Mr Patten said that the end of the year-long teachers' pay dispute provided a period of *calm in which to take stock*, but that the problems facing the school system went far deeper than pay and service conditions.

He told the conference: "The past year has been a wretched one for all of us in education. It has raised question marks over the way we organise, deliver and pay for education in Britain.

"Those questions need to be answered, and answered before long, if we are to avoid stunting our national talents in a way bound to enfeeble our future economic performance.

"Even more important, unless we sort these questions out soon, we shall risk the creation of a yob society and an impoverished culture."

He also held out an olive branch on the forthcoming negotiations on a new employment contract for teachers.

He assured delegates that the Government did not want a narrow definition of a teacher's professionalism.

Reaction from unions to Mr Patten's speech was wary. The National Union of Teachers said it was surprised that a "progressive" minister should have floated the idea of central control of education. The National Association of Head Teachers said local control had defects, but was infinitely preferable to a stronger governmental role.

Murdoch offers unions old plant

BY HELEN HAGUE, LABOUR STAFF

MR RUPERT MURDOCH, chairman of News International, publishers of The Times, The Sunday Times, The Sun and News of the World, last night offered workers *sacked in the dispute over the* company's move to Wapping, East London, the abandoned printing plant in Grays Inn Road to produce a new labour *movement newspaper.*

He put the proposal to print union leaders as a way of settling the dispute, in which 5,500 printworkers were sacked after going on strike before the transfer of production of the four titles to the newly-built Wapping plant 10 weeks ago.

There are two News International properties in Grays Inn Road: The Sunday Times building, owned freehold and worth an estimated £30m on the investment market; and The Times *building*, held on a long lease from Electricity Supply Nominees,

Reacting to the surprise proposal, Ms Brenda Dean, general secretary of Sogat '82, more than 4,000 of whose members were among those sacked, said it was "certainly not the whole answer" to the dispute, but that the unions would consider it "in a constructive way."

Speaking in an interview on Channel Four News Mr Murdoch said his offer would give sacked printers the opportunity of jobs, and the labour movement a chance to "get a fair go" in the press.

He said that the company no longer had any use for the Grays Inn Road printing plant.

He reiterated the company's previously-stated position that there was no question of sacked workers gaining reinstatement.

The Guardian is still printed on Grays Inn Road presses and as the contract has a further two years to run it would provide the unions with £1m a year working capital, said Mr Murdoch.

News International has also offered some administrative and managerial assistance.

The 300,000 sq ft premises have 90 printing units, 60 of which are being offered to the unions, more than News International has in Wapping. Mr Murdoch said the premises were worth £50m or possibly £60m. The company would close or sell them if the offer was not accepted by the *unions.*

Ms Dean said the proposal did not offer a complete solution to the problems either of reinstatement or compensation for sacked workers.

"I don't accept that at first glance this proposal is the answer to the dispute. It may be part of it but it is certainly not the whole answer."

"It is not a way for him to offload his responsibilities for employees who have been sacked."

● David Thomas writes: The five print unions made clear last night that they did not regard the offer by News International as a solution to the main dispute, but said that they would consider it fully.

Ms Dean said that such a consideration would probably involve discussions with the TUC and with Mr Neil Kinnock, *Leader of the Labour Party.*

She described it as an "imaginative proposal," but added that there had been "no constructive progress" in the substantive negotiations about union recognition at Wapping, return of sacked printers' jobs or compensation for surplus staff.

Mr Kinnock said: "Clearly, Rupert Murdoch's offer cannot be regarded as an alternative to a settlement of the dispute between News International and the trade unions representing workers who are without jobs or compensation for the loss of their jobs.

"The trade unions are *considering* the practicalities of Rupert Murdoch's suggestion, and I will be consulting further with those of my colleagues who are concerned before the adjourned negotiations are resumed."

NUJ urged to discipline Wapping journalists, Page 8

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:		Midland Bank	553 + 45
Treas 2½pc I.L. 2020	£92 + 1	Radio City "A"	29 + 4
Amstrad	488 + 16	RHM	244 + 17
Aurora	73½ + 14½	RTZ	780 + 16
BSR Intl	118 + 11	Royal Bank Scotland	378 + 26
Beecham	386 + 18	Standard Chartered	805 + 163
Berisford (S. & W.)	248 + 18	Standard Fireworks	140 + 25
Bestobell	370 + 25	Vaux	535 + 45
Brit Dredging	91 + 6	Woolworth	900 + 40
Distillers	706 + 24	FALLS:	
Extel	405 + 12	Exch 12pc 2013-17	£131¾ − 1¼
Good Relations	168 + 14	Dixons Group	408 − 12
Helical Bar	195 + 16	Lloyds Bank	616 − 22
Hillsdown Hldgs ...	310 + 34	Marks & Spencer ...	219 − 8
Magnet & Southerns	134 + 14	Reckitt & Colman ...	885 − 15
Mercury Securities	950 + 30	Trusthouse Forte ...	187 − 7

WORLDWIDE WEATHER

UK today: Mostly dry with sunny *periods in NW. Elsewhere rain, hail* or sleet with snow on high ground. Cold.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Algiers	F	19	66	Dallast	S	19	66	Madrid	F	15	59	Perth	C	21	70
Amsdm.	C	5	41	Dublin	F	8	46	Majorca	S	17	63	Prague	C	5	41
Athens	S	19	66	Ednbgh.	F	8	46	Malaga	S	17	63	Reykjvk.	R	6	43
Bahrain	S	26	79	Faro	C	16	61	Malta	F	18	64	Rhodes	S	22	72
Barclna.	C	14	57	Florence	S	20	68	M'chstr.	F	7	45	Rio J'o		—	—
Belfast	S	8	46	Frankfr.	C	4	39	Melbne.	F	24	75	Rome	S	18	64
Belgrd.	S	25	77	Geneva	S	8	46	Mx. C.†		—	—	Salzbrg.	R	5	41
Berlin	C	9	48	Gibraltar	S	16	61	Miami†	F	22	72	S F'cisc†	C	10	50
Biarritz	R	9	48	Glasgow	F	8	46	Milan	C	14	57	Singapr.	T	25	77
Bmghm.	C	6	43	G'rnsey	S	7	45	Montrl.†	F	4	39	S'tiago		—	—
Blackpl.	S	7	45	H. Kong	S	25	77	Moscow	C	6	43	Stckhm.	F	4	39
Bombay		—	—	Innsbrk.	R	6	43	Munich	R	4	39	Strasbg.	F	7	45
Bordx.	S	10	50	Invrnss.	C	6	43	Nairobi	F	26	79	Sydney	S	32	90
Boulgn.	C	4	39	I.o.Man	F	6	43	Naples	S	23	73	Tangier	S	18	64
Bristol	C	7	45	Istanbul	S	11	52	Nassau		—	—	Tel Aviv	S	23	73
Brussels	C	6	43	Jersey	F	7	45	Nwcstl.	F	6	43	Tenerife	C	19	66
Budpst.	S	19	66	Jo'burg	S	24	75	N Delhi		—	—	Tokyo	C	16	61
Cairo	S	22	72	L. Plms.	S	20	68	N York†	C	9	48	T'ronto†	C	5	41
Cardiff	C	6	43	Lisbon	C	17	63	Nice		—	—	Tunis	F	21	70
Cape T.	S	24	75	Locarno	R	7	45	Nicosia	S	21	70	Valencia	S	19	66
Chicago†	C	5	41	London	F	8	46	Oporto	C	15	59	Venice	F	15	59
Cologne	R	5	41	L. Ang.†	F	11	52	Oslo	S	7	45	Vienna	C	9	48
Cpnhgn.	S	7	45	Luxmbg.	C	4	39	Paris	C	6	43	Warsaw	C	5	41
Corfu	C	20	68	Madeira	F	18	64	Peking	S	18	64	Zurich	C	5	41

C—Cloudy. D—Drizzle. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

EMS talks Continued from Page 1

of a programme which will include the lifting of key exchange controls designed to boost French investment and competitiveness.

French exporters have had their margins in Germany squeezed by a cumulative 13 percentage point difference between the two country's inflation rate since the last franc devaluation in the 1983 EMS realignment.

French tactics may well be criticised at today's meeting because of the apparent absence of prior consultation. Nevertheless, there was no great surprise in EEC capitals yesterday at the prospect of a realignment, although reconciling the differing objectives of the ministers responsible for the seven other currencies which make up the exchange rate mechanism may not be easy.

A realignment will enable the new French government to blame a devaluation on the inheritance from its Socialist predecessor. If successful, it could also free the French government from the fear of persistent pressure on the currency forcing an involuntary — and politically damaging — devaluation later in the year.

Part of the franc devaluation in this weekend's realignment is expected to be achieved by an upward revaluation of the D-mark. German bankers have long regarded this as inevitable once the French elections were out of the way.

Bonn's trade surplus last year hit record DM 73bn (£21bn) and could rise, according to some forecasts, to DM 100bn in 1986. Although inflation rates are declining throughout the Community, West Germany remains the star performer, having now achieved virtual price stability.

But Mr Gerhard Stoltenberg, Bonn's finance minister, is expected to resist pressure for anything but a moderate revaluation of the German currency. Foreign orders being booked by German industry are declining under the impact of the D-mark's gain against the dollar and exporters will not want to surrender any more price competitivity.

One important aspect of changes in the franc and the D-mark is the impact on farm — Common agricultural

Senior officials from EEC treasuries and central banks were meeting at the community's monetary committee at Ootmarsum well into last night in preparation for today's negotiation.

At this meeting, governments often give the first indications of the currency adjustments they are looking for. The indications yesterday were that the Dutch would want the guilder to match the D-mark in any upward revaluation, that Ireland would want to limit the punt's devaluation against the D-mark to about 3 per cent, that the Belgium franc and Italian lira might follow the French franc in devaluing, but by a smaller amount.

The Spanish peseta, not yet a member of the EMS, is thought likely to be encouraged by the Madrid authorities to move down against the D-mark, but, again, not by as much as the French franc.

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WEEKEND FT

Saturday April 5 1986

Colin Amery and **David Dodwell** report as the world's most expensive building opens

Monument to money

SIR EDWARD YOUDE, Hong Kong's Governor, stood on the veranda of Government House looking north over the garden, towards Victoria Harbour "A hundred years ago, it's said the Governor could stand here and measure the wealth of Hong Kong by the number of ships he could count," he observed. "Today, I count the banks." In fact, he has no choice. His view of the harbour is blotted out by banks—and none more so than the space-age edifice that towers above him, the new headquarters for Hong Kong and Shanghai Banking Corporation.

If Sir Edward needed a quick measure of Hong Kong's wealth, then he need look no further than this controversial building. It is almost certainly the world's most expensive, and conceptually one of the most radical ever. It is a monument to a bank that ranks among the world's top 20.

When it is officially opened on Monday, to the strains of the Coldstream Guards and with more than 30,000 people invited to the celebration, the sign-off construction cost will have been HK$5.4bn (about £465m). Adding in professional fees and the financing costs that would have had to be borne by anyone except a bank, there would be little change out of HK$8bn (£690m). "We have a building that cost much more than we reckoned it would," said Michael Sandberg, who this autumn will stand down as chairman of the bank. "But we do have a fabulous building."

Approaching the new bank is a curious sensation. After passing the sentinel lions that guarded the old head office, you are in a wind-swept plaza straddled by the soaring glass and aluminium tower. You step on to a silver escalator that glides up into the sagging belly of the building. Suddenly, you are in the grey atrium, and immediately the nature of the place is revealed.

Looking up some 150 ft you see, flanking the great space, the colossal steel towers that support the whole edifice. As with one of those anatomical human models with a glass skin, all of the innards are there to be seen. Towering columns and giant cross-braces join open galleries, from which you can just hear the clatter and hum of a silver engine devoted to making money. While critics have complained that this monument to commerce is an outstanding example of corporate extravagance, none would deny it is an extraordinary building.

The designer is British architect Norman Foster. It is his first office tower and represents all his most uncompromising beliefs about architecture and the development of technology. Speaking about his design at the Museum of Modern Art in New York in 1982, Foster said it was "a challenge to the established model of a high rise building."

It is rare these days to find a commercial client willing to act in the manner of a patron, with a strong commitment to the advancement of architecture. To understand how the Hong Kong bank came to assume this role, it is important to recall its history and the Klondyke mood that pervaded the Crown Colony late in the 1970s.

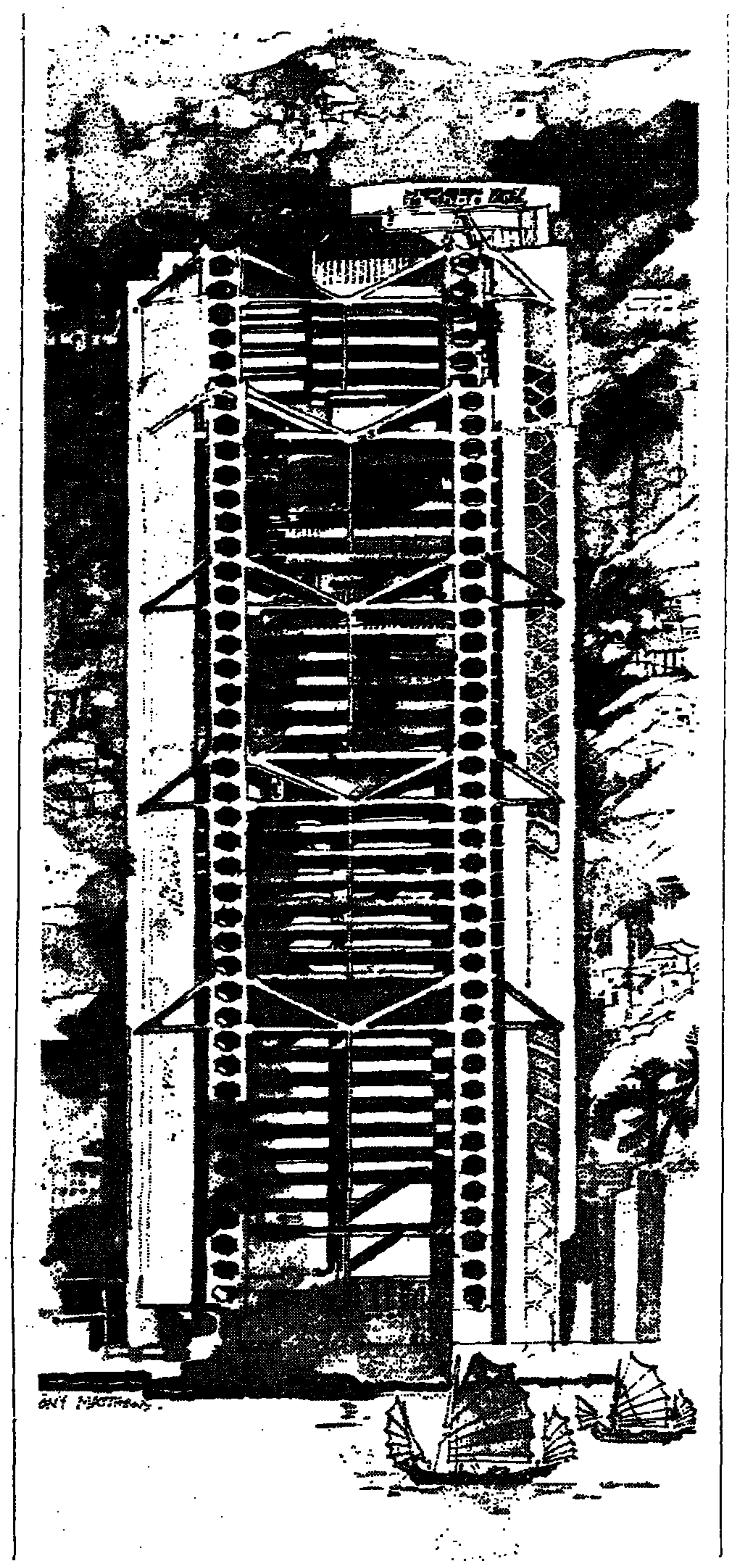
The Foster building is the fourth Hong Kong and Shanghai head office to occupy the site at No. 1 Queen's Road, Central. The bank's first purpose-built headquarters was designed in 1882 by 23-year-old Clement Palmer. The waterfront building completed four years later had a schizophrenic air—broad verandahs and an exuberant domed banking hall road full of late 19th century colonial pomposity. When the time came at the end of the 1920s to consider rebuilding, the brief was simple. Chief manager Sir Vandaleur Grayburn called on architects Palmer and Turner to "build us the best bank in the world."

Opened in 1935, it was 220 ft high—the tallest structure between Cairo and San Francisco. At its heart was a magnificent banking hall with a barrel vault lined in mosaics. With high-speed lifts, air conditioning and tailor-made office furniture, it was in its time a pioneering bank building.

However, the growth of Hong Kong's importance as a financial centre was to make this building inadequate by the 1970s. Once again, the bank needed to redevelop one of the most central and valuable sites in the colony so as to bring the latest technology to bear on day-to-day activities. Sandberg recalls: "When I arrived in 1949, the bank was all of 22 stories, and twice the size of any building in Hong Kong. By the mid-seventies, we were bursting at the seams." There had to be a new one but "we were taking down a landmark, one that was dear to the hearts of Hong Kong, and we didn't feel we could replace it with a concrete shoe-box."

To continue its tradition of adventurous patronage, the bank held a series of technical consultations at the end of 1978. At that time, the board was prepared to consider a partial redevelopment retaining (for sentimental reasons) the original landmark tower. It was also prepared to look at the idea of phase redevelopment. In June 1979 a short-list of architects was announced. Skidmore Owings and Merrill and Hugh Stubbins represented the US, Foster Associates and Yorke Rosenberg Mardall the UK. Palmer and Turner was again there for Hong Kong, while Harry Seidler and Yuncken Freeman came from Australia.

At that time, Foster Associates was well known for its interest in developing what has come to be called high-tech architecture. It succeeded brilliantly with a small headquarters building in Ipswich, England, for the insurance firm



Willis Faber Dumas. This looked like a brown glass grand piano—a completely glass-walled buiding with a roof garden and escalators for circulation through the four floors.

The announcement on November 19 1979, that Foster Associates had won came as a surprise to the architectural world. It was a bold decision. Foster was not renowned for big projects although he was known to be fascinated by thinkers like Buckminster Fuller as well as the ideas of flying, speed, and the imagery of 20th century technology. Not all of his buildings had been particularly successful: there were, for example, some very discontented residents in Milton Keynes, the new town on the north-western edge of London. Above all, it was clear to anyone who followed his career that Foster was preoccupied with design development. He saw his buildings as prototypes that would develop both structural ideas and the use of materials in new ways.

The original Hong Kong design concept—of a bridge-like structure—survived intact to the finished building. Two parallel rows of four steel masts provide the main vertical structure. From these, two-storey-high suspension trusses span the building at five levels, and from these the floors are suspended. The steel masts carry the superstructure, allowing the ground level to be free of columns. The whole arrangement removed the need for a central core, and allowed an atrium above the main banking hall high enough to fit Amiens Cathedral.

Foster was keen to get away from the concept of a tall building where everyone depends on lifts. His 23 high-speed lifts stop only every five floors. If you want to reach a floor between stops, you take escalators either up or down. Foster's idea is of a single tower as a series of "villages" in which people meet all the time as they move about. This means there are 62 escalators—more than in any other single building in the world. With no central service core, plant and lavatory "modules" service every floor. These were made in Japan, delivered complete, and simply plumbed-in. Visiting a lavatory is like going to the loo on a plane.

The floors, too, are purpose-made and modelled on the panel floors of an aircraft. A grid of services covers each of them—air conditioning, power, telecommunications and computer links are accessible from almost every point. Floorsquares covered with marble, carpet or composition can be raised like tiles. Air is blown up through grilles. This exceptional flexibility came only at a price, and is one of the reasons for the extraordinary cost of the building.

The late 1970s in Hong Kong provided the perfect setting for the incubation of such Napoleonic ambitions as the bank project. The property and stock markets were booming and companies were getting rich at a giddying pace. In January 1982, Vickers da Costa, a stockbroker now owned by Citibank, recommended investors to buy Hong Kong and Shanghai shares. "There are few international investments which offer a more satisfying geographical spread, are backed by such a fine profit record over such a long period, and possess such prospects for further development of the business," it said in a 46-page report on the bank.

It was in that mood that Foster's innovations were examined by the bank. In January 1981, the preliminary design was presented to the board. By then, there had been nearly a year of design development. Ove Arup and Partners had been working since February 1980 as the civil and structural engineer; and in October that year the John Lok/Wimpey joint venture was appointed management contractor.

From the start, it was clear that this revolutionary building was going to be expensive. What does not appear to have been realised was that the "dynamic design approach" would prove so uncontrollable when it came to costs. Nor did anyone realise how the mood in Hong Kong would change. By late 1982, with the UK and China about to take up cudgels on the colony's fate once Britain's lease ran out in 1997, many were hitting panic buttons. The property and stock markets were crashing and the currency was under assault. The Hang Lung Bank was soon to collapse as was the Carrian Group which, when eventually put into liquidation, was understood to have debts of HK$10bn (£862m). The Hong Kong and Shanghai and its merchant subsidiary Wardley, had been active in funding Carrian. Their image was hurt because of the collapse, as was their wallet.

Not surprisingly, therefore, the discovery that an order from British Steel in the UK was going to have to be revised, at an additional cost of US$92m, prompted members of the Hong Kong bank board to press some panic buttons of their own. The costs of the building appeared to be soaring out of control. A special sub-committee was set up to review the project and construction was halted. Pell Frischmann, a London firm of consulting engineers, was hired to carry out a technical audit. Its report put the basic costs of the building at HK$3.2bn (£275m) with an additional HK$1.88bn (£162m) arising from "special costs to the banking operation."

Speculation became rife about the real costs; as the Pell Frischmann report was not released by the bank, rumour thrived. What was made public at this crucial time was that real control of the project design was to be transferred from the architect to a contract administrator. Pell Frischmann blamed rising costs on Foster's "design development" concept, but this has been defended by the bank as a risk it implicitly agreed to take. "Speed was essential," Sandberg recalled last week.

If Norman Foster ever came close to seeing his dream of a modern architectural monument shattered, it was at this point. "The options we faced were not very palatable," Sandberg said. "We could have a hole in the ground for many years, and could start taking out lawsuits that we almost certainly could not win, or we could go forward." When work resumed three months later, a local consulting engineer, Ron Mead, had been appointed as project co-ordinator to pull the project back on to clearly defined financial rails. From that point all contractors were forced to open local offices, all contracts went out to tender and all corners that could be cut were cut.

Despite this, the final cost is difficult to justify—and could be all the more difficult in 1988 when the Bank of China's 72-storey headquarters opens. Designed by the Chinese-American architect I. M. Pei, it is expected to cost HK$1.2bn (£103m).

With the new edifice now occupied almost fully, the Hongkong and Shanghai can claim to be at the technological forefront of world banking. Foster's building is a monument to international telecommunications and computer technology.

Sir Edward Youde puts it this way: "Most buildings in Hong Kong are made of either concrete and glass or glass and concrete—but this one is an engineering building." He says he likes it. One can only hope his Chinese successors after 1997 will feel the same way.

The Long View

New York starts to get the message

THE STRANGE outburst from Vice-President George Bush this week, in which he seemed to reproach the Saudis for injuring American oil interests, could prove to be something of a psychological landmark in the prestn bull market. For the first time, someone with the authority of the Administration has pointed to the rather large cloud in he centre of the silver lining that has been dazzling Wall Street. At the same time, the American business press, which sometimes seems a good deal more thoughtful than much of our own, has been finding other sources of worry, such as the weak trend of US car sales and the fact that weak commodity prices usually signal a weak economy.

These returning signs of a sense of proportion, to put it no higher, are very welcome. They come at a time when Wall Street values are still rationally defnsible, if you believe the more optimistic economic forecasts. This means that if the fundamental consensus shifts, the market can still make a rational correction rather than collapsing in outright panic.

The London market, supported as it is by the efforts of future market-makers to acquire some stock-in-trade, continues to treat all news as good news. Sterling falls: that is good for profit margins. It rises again: that means lower interest rates. Oil prices fall: lower costs. They rally: buy sterling and oil shares. This is irrational optimism, and a vivd long-term danger sign.

If you want to stay rational, you must not brood unduly about the manic-depressive psychoisis of the markets but think instead about the real world—the one which has finally impinged on Vice President Bush.

It is perfectly reasonable for Mr Bush to worry about the danger that the oil price will fall into single figures: that

For the first time, says Anthony Harris, someone with the authority of the Administration has pointed to the rather large cloud in the centre of the silver lining that has been dazzling Wall Street.

would injure not just the fringe operations of the US oil industry but major ventures such as the North Slope in Alaska in which gigantic capital is tied up and which could no longer cover even their running costs. The oil price fall, which has already cut drilling in the US by half and seems likely to cut oilfield investment by a similar proportion — cutting total US growth by half a point straight away—would then cause financial mayhem.

The fantasy appears when the Vice-President calls on Sheikh Yamani, as a reasonable man, to do something to stabilise the market and so save the US Administration a lot of trouble. *This is silly because,* as I have pointed out before, Sheikh Yamani's strategy is designed to cause pain to producers outside Opec, as he has been kind enough to explain over and over again. He would be delighted to talk about stabilising the market if everyone else would talk about it, too; otherwise, he will simply *drive the high-cost producers* out of business and restore the power of Opec by that means.

This could be a very messy solution, leading first to large financial failures and heavy cuts in oilfield investment (not least in the North Sea) and then to a new oil famine a few years ahead. The Moslem oil states are probably ruthless enough to impose it, all the same, failing anything more reasonable.

It was the hope of a reasonable solution, surely wildly premature at this stage, which the London market chose to celebrate. The reasoning, such as it is, means to assume that this signal from Washington would change the world. Mexico, very much of a US client state, *would talk production* cuts with US blessings while the oil majors would respond with massive stockbuilding and might even do what Mrs Thatcher resolutely refuses to do — discuss long-term production schedules for their installations in the North Sea and elsewhere.

What seems likelier, however, is that so far as the Vice-President meant anything, he meant to warn the Saudis that America might be compelled to protect its own industry and banks with an oil import tax, which would make *the oil price* weaker in the rest of the world; and that the oil majors will continue to play it by ear.

There are two reasons for *this view. Politically, a surrender* to Opec's demand for world market-sharing looks improbable; in any case, part of the Saudi strategy must be to give a clear enough demonstration of market power to make investors very hesitant about financing high-cost production in future. The second is the economic background. Oil is not the only commodity whose price is falling. Nearly all raw materials are weak markets, even measured in rapidly depreciating dollars.

The persistent weakness is worrying some erstwhile optimists in New York, who argue that weak demand for commodities must mean a weak economy, as it always has in the past. That is quite persuasive on the face of it, but it is an analysis which needs a lot of footnotes.

I can allow space for only a few. First, it is hard to square the weakness of commodities *with recent figures for world* growth. They are not dramatic; and in the poorest countries, where output is now rising more slowly than the population, growth is grimly inadequate. There is no recession, though, and businessmen in the developed world remain broadly optimistic.

There must, then be some important change in the structure of demand; and two such changes are obvious. Consumer demand is increasingly for services and for miniaturised *things. If you measured GNP* by tonnage rather than value, it would probably show a steep downward trend. Second, we are still in a period of very high reel interest rates, and that cuts tonnage further — less construction, almost no ships or power stations. The plight of the trucq industry tells you what is happening to tonnage.

Remember the silver lining, though: persistently cheap commodities should mean consistently low inflation and much lower interest rates. If we can *reach that goal smoothly,* well and good. There is still much more dlanger in the financial system, with its feverish greed and silly risks, than in the real world; so when Wall Street worries about the real world, I begin to sleep a little more soundly.

•CONTENTS•

Prices thunder ahead as bids keep coming

A RISE of a fifth over the past three months must rank as one of the most formidable uninterrupted advances the market has ever staged. So anyone who can still remember a bear phase is at least giving half a thought to how long prices can keep thundering ahead.

Readers of Thursday's Jobs column are by now well acquainted with Harvey's Abilene Paradox which, for those who missed it, is about people acting irrationally when acting collectively. There are a number of convincing arguments for the recent rise in equities but as they continue to head northwards of what seems a reasonable level (by past standards if they still count) the more this feels like the dusty road to Abilene. But everyone appears to want to go there so, true to Harvey's Paradox, it would be unsociable to suggest the market should do anything else.

The high level of bid activity has, of course, been one of the prime motivators of the market's strength and just as the bids for Imperial and Distillers are drawing to their close a fresh crop arrived this week. Dixons has pounced on Woolworth with a near £1.8bn bid, Hillsdown is offering nearly £0.5bn for S & W Berisford, Lloyds Bank has approached Standard and Chartered, while Allied-Lyons has agreed to pay £1.25bn for the wines and spirits division of Hiram Walker Resources.

Taking the last first, Allied's purchase is partly a defensive move by both parties. Gulf Canada is making a C$1.6bn bid for voting control of Hiram Walker while Allied still has Elders IXL lurking in the background while the Monopolies Commission runs the £1.8bn Australian bid under a microscope.

Though signed and sealed Hiram Walker's drinks business is by no means delivered to Allied. The agreement could be challenged by a rival bidder through the courts. There were half a dozen or so interested parties including Seagrams. Also while the Canadian Government takes a positive line towards foreign investment generally this could be a sensitive one.

However, jumping over several hurdles at once, if the deal goes through it will be a constructive move for Allied and more than a simple defensive ploy. To be a winner in the drinks industry today a company has to establish itself as an international player. Yet one of Allied's problems is that it has been far too dependent upon the UK and the sherry, port and scotch markets in particular. The acquisition of the Canadian operation takes Allied a long way down the road to rectifying those shortcomings.

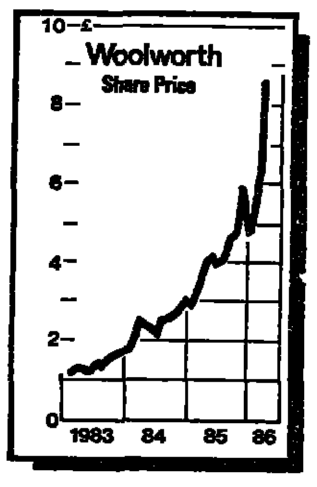
Hiram Walker brings a diverse portfolio of brands. The largest profit contributor is Kahlua, a coffee liqueur, which may not mean much here but it sells 1.8m cases a year and has captured a quarter of the US liqueur market.

Other leading brands include Canadian Club, a well known North American whisky, Ballantine's Scotch whisky, which has a good base in Europe and could be a useful complement to Allied's Teachers, and Courvoisier brandy: and quality brandy names are almost priceless.

London

So although the profits performance of Hiram Walker has been unexciting in recent years and Allied leaves itself open to the criticism that it is buying itself a mature ex-growth business, an exit p/e of 15 is not excessive, especially if Hiram Walker's executives can teach Allied's drinks division a trick or two in international marketing.

That still leaves unanswered the all important question of how Allied intends to pay for its prize. If it takes on debt the balance sheet might look strained but it would make it virtually impossible for Elders to pursue its own debt-ladened ambitions. The resulting gearing could make even its adventurous backers wince.



More likely, however, is that an enormous rights issue will be launched, that could also make Allied an indigestible mouthful for the Australians.

Dixons, in contrast, has the financial clout to swallow Woolworth though it will need to sweeten its £1.75bn equity offer before it secures control. The existing management has done a good job of revitalising the struggling group since the institutions stepped in during 1982 but to a large extent Woolies has been sitting duck in this era of upheaval in the High Street.

What has been achieved has largely been financial reconstruction supported by growth from B & Q, the DIY chain. Yet the core of the business is still performing badly and what is desperately needed is some retail management rather than financial management. Right from the outset the new team of 3½ years ago said they needed a top-drawer retail executive—one never appeared.

Yet the Dixon's executives have a reputation that is second to none, a fact that was clearly visible in the market reaction on Thursday when the bid was announced. Dixon's price leapt by 30p to 420p despite the fact that its issued capital will double if successful.

How exactly the bidders' plans to revamp Woolworth's 875 stores is still not clear but their track record to date suggests that keen pricing will feature somewhere. Possibly they might model Woolies on the highly successful variety store chains of the US. But whatever they intend to do the market is convinced they will do it well.

There is the possibility of a rival bid and Woolworth's advisers will presumably undertake the quest to find a white knight. But who has the share rating to make such a bid other than Dixons or the credibility to convince the City that they can make it work?

There does not really seem too many obvious candidates to rival Dixons in the UK and while some US executives might enthuse at the challenge, the price of UK retailers would stop them in their tracks.

Burton might conceivably be a contender in the battle but it is only in the first phase of tackling Debenhams. To take on Woolworth so soon might stretch the City's belief in the abilities of Mr Ralph Halpern.

The interim figures for the enlarged Burton were coincidentally revealed the same day as the Dixons bid so to an extent they were overshadowed and the share price did not join the general rise of the rest of the sector on the day. But anyway the figures were more or less what the market expected.

Terry Garrett

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1986 High	1986 Low	
FT Ordinary Index	1,420.9	+ 30.9	1,425.9	1,094.3	Run to record levels resumes
Abaco Investments	50	+ 13	53	27	Persistent speculative demand
Associated British Ports	615	+ 95	625	373	Good results and scrip issue
Berisford (S. and W.)	248	+ 24	248	133	Bid from Hillsdown Holdings
Cookson	565	+ 53	565	354	Preliminary statement due soon
Dixons Group	408	+ 56	438	218½	Share-exchange bid for Woolworth
Geevor Tin	40	− 17	72	33	Halts mining operations
GRE	918	+ 68	918	720	Results spark "buy" recommendation
Hillsdown Holdings	310	+ 62	310	180	Offer for S. and W. Berisford
Mercury Securities	950	+110	955	680	Vague bid speculation
Rank Hovis McDougall	244	+ 29	244	157	S. and W. Berisford stake speculation
Reckitt and Colman	885	+ 76	900	607	Excellent preliminary figures
RTZ	780	+ 65	790	513	Holmes à Court stake rumours
Scottish Heritable Trust	170	+ 28	170	122	Pleasing annual results
Standard Chartered	805xd	+197	830	420	Approach from Lloyds Bank
Sun Alliance	742	+ 54	752	520	Better-than-expected results
Vaux	535	+105	540	350	Rumours of Pleasurama bid
Ward White	326xr	+ 59½	326	226½	Institutional meeting in Scotland
Williams Holdings	690	+ 98	690	395	Purchase of Fairey Engineering
Woolworth	900	+290	920	438	Dixons launch share-exchange offer

Aberdeen succumbs to gravity

ABERDEEN Steak Houses, the restaurant chain with 28 eateries in central London, defied gravity when it came to the USM last summer. In spite of considerable controversy about the company and its flotation, brokers Fiske and Co had little difficulty in getting the issue away and the shares went to an 8p premium above the 67p placing price when dealings began.

Its critics, then, must have found it hard to resist a gleeful smirk on Thursday: for when the figures for the year to December came out, they showed that a serious downturn in the second half had left profits at just £813,000—a figure well short of the previous year's £884,000.

The figures were all the more disappointing in the light of the first-half performance, when profits surged from £120,000 to £252,000. The company said then that it viewed the likely full-year outcome "with confidence," and it revealed on Thursday that at the time it had expected the trend of the previous five years to continue. That would have meant full-year profits of £1.4m.

There were several factors behind the adverse publicity which marred Aberdeen's flotation. One was the background of the company's chairman, Alih Salih, whose previous company, London Eating Houses, went into liquidation in 1973 with debts of £730,000. Another was the row which led to the sudden departure of Aberdeen's company secretary and chief accountant, Aziz Suleman, just before the flotation. A third was Mr Suleman's revelation that legal claims alleging underpayment of wages were pending against the company.

Since then, the satirical magazine, Private Eye, has kept up a barrage of stinging reportage about Aberdeen and, in particular, about the progress of the legal actions. This has done little for the company's share price, which has rarely been far above yesterday's 57p since hitting a peak of 88p shortly after the flotation.

However, litigation is not to blame for Aberdeen's poor profits performance, for any successful claims against the company affect this year's figures, not last year's. The company believes the effects will any case, be small: it says it settled the matter of Mr

USM

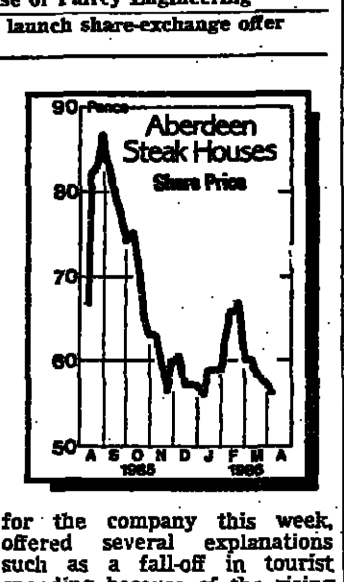
UNLISTED SECURITIES MARKET

Suleman's departure out of court last month for £450 and asserts that total claims for underpayment of wages—which Aberdeen will contest—amount to only £16,174.

The more important issue as far as profits are concerned is Aberdeen's alarming fall-off in turnover growth.

Profits raced ahead in the first half because turnover rose by 40 per cent, but in the second half turnover growth fell to 14 per cent in spite of the fact that three new restaurants were opened.

Clearly, something went wrong in Aberdeen's second half. Stephen Cockburn, the non-executive director speaking



for the company this week, offered several explanations such as a fall-off in tourist spending because of the rising pound, distractions to management caused by the flotation, and adverse publicity over the legal actions; but these alone do not seem adequate to explain the sudden decline in turnover growth.

Two other possibilities are worth exploring. One is that with 28 restaurants — most of them steak houses — concentrated in London's West End, Aberdeen has reached saturation point in its density of coverage. Another is that the time for the steak house concept has come and gone: the Aberdeen and Angus steak houses look increasingly tired and dated next to the thriving pizza parlours and pasta bars of Leicester Square.

Aberdeen certainly has no intention of throwing in the towel: it is in the process of opening another three restaurants and talks of encouraging signs in trading so far this year in spite of the poor weather in February. As a high-flying leisure stock, however, the company is proving a big disappointment.

Richard Tomkins

RTZ gets a boost from oil

IT SEEMS odd that with oil trading at $10 a barrel that energy should be responsible for a 5 per cent rise in 1985 net profits to £220m expected from RIO TINTO-ZINC, which reports on Wednesday.

The fall in the oil price is, however, only starting to bite now, whereas the 1985 advance is due mainly to the inclusion of Enterprise for 12 rather than six months. Currency movements have not been favouring RTZ. Falls in the values of the US, Canadian, Australian and South African currencies will all have blunted good advances of subsidiary companies in local currencies. Most important will be the effect of the US dollar on translating profits of Borax the largest contributor to group profits which may well be lower measured in sterling.

RTZ's metals division should not be badly scarred by the tin crisis as tin accounts for a tiny part of the whole, and in any case much of RTZ's tin had been sold forward.

SMITHS INDUSTRIES interim results for the six months to January, a £4m increase to £24m is expected on Wednesday, should confirm the City's expectation that the group earnings growth is on track for 20 per cent this year.

The quality of earnings from SI has improved markedly in the market's view since the cutting of the final links to the motor industry and South Africa in November. Other disposals plus the strong balance sheet have given further support to the stocks premium rating in the sector.

Falling oil prices has helped bring confidence back to the civil aviation industry and this in turn is good news for Smith's aerospace related activities.

Medical Systems will show some benefit from recent acquisitions although much needs to be done on the inherited level of margins before the contributions can really take off. The industrial division has been a consistent performer although some units must now be considered mature and in need of cutting back.

The UK construction market is not a happy place to be at the moment as vicious competition is resulting in shrinkage margins. Consequently JOHN LAING, which announces its preliminary results on Thursday, is expected to show a meagre advance to £32m (£30.2m) with the contribution from building and engineering, the largest part of the group, below last year's figure.

Meanwhile the group's housebuilding is going well and should turn in profits of £12m (£8.5m). Housing completions should be up by a third and margins maintained, while sales

Results due next week

from Superhomes should also be higher.

The trading advance will be partly offset by a lower interest figure as Laing's pile of cash has dwindled from about £84m last year to about £50m. Below the line there will be a provision of between £5m and £10m relating to the bad debts of Laing's Saudi Arabian associate.

The market is bracing itself for a lacklustre set of results when RUGBY PORTLAND CEMENT unveils preliminary profits of around £20m on Monday.

As a Southern-based cement company, Rugby usually shrugs off the worst excesses of wintry weather, but in 1985 the weather was worse in the south than the north and, although demand recovered towards the end of the year, sales suffered in 1985.

In the first half Rugby was bailed out by overseas earnings, but in the second, the weakness of its core currencies, the US and Australian dollars, wiped £4m or £5m off these results.

NEXT hasn't disappointed the City since George Davis introduced staid, old Hepworth to colour co-ordination and the chargecard carrying yuppie. Wednesday's set of interims should prove no exception. when Next unveils profits of £13m.

Schizophrenic weather depressed sales of women's wear last autumn but Next, buoyed by a busy Christmas, bucked the downward trend. Next for Men continued to grow and even the rump of the old Hepworth chain — now reserved for remaindered lines—made a slight contribution.

Development of Next Interiors has been slower than expected, especially in the north. But the Next design team has tempered the more avant garde merchandise and the City expects a little less than £1m from the division for the year as a whole, with some profit in the first half.

The life business of PEARL ASSURANCE will have had to perform exceptionally well last year if the company is going to show a profit rise on 1984's £154.55m when it reports on Wednesday.

Life business is doing very nicely at the moment and Pearl's is expected to follow the trend with a 15 per cent growth to £19.6m. But this is not expected to cover the horrific losses in its general insurance operations —seen at the half year stage.

In addition to its normal UK general insurance, mainly motor and domestic property, which are expected to show much higher underwriting losses, Pearl has had problems with its reinsurance operation in the UK and US which came to a head last year. As a result after tax losses on the general business could double to £13m.

However poor results have not yet stopped an insurance company increasing its dividend and shareholders can look forward to an 18 per cent increase to 45p.

Among the other major companies reporting full year figures next week are GLYNWED on Monday, SPRIRAX-SARCO ENGINEERING on Wednesday, and J. MOWLEM on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Aidcom International	Monday	—	1.0	—
Ash and Lacy	Tuesday	8.0	12.0	10.0
Astbury and Madeley	Tuesday	1.5	4.35	1.687
Ayrshire Metal Products	Wednesday	—	1.0	—
William Baird	Thursday	7.0	10.5	7.7
Beauford Group	Tuesday	1.5	3.0	1.75
Bemrose Corporation	Thursday	4.4	1.0	1.0
Bodycote International	Tuesday	2.0	2.5	2.5
British Dredging plc	Thursday	1.0	1.5	1.0
British Syphon Ind	Tuesday	1.75	1.4	1.25
Bruntons	Wednesday	1.5	1.5	1.5
Burmah Oil	Thursday	3.5	7.25	4.5
Connells Estate Agents	Friday	1.0	2.5	1.0
H. Cory	Thursday	1.2	0.6	0.2
Cookson Group	Thursday	2.125	4.125	2.4
Cowells	Wednesday	—	—	—
Dwek Group	Tuesday	—	—	—
Erith	Wednesday	1.1	2.0	1.1
Evered Holdings	Thursday	0.7	1.6	1.25
Finlay Packaging	Wednesday	0.75	2.5	0.75
Fothergill and Harvey	Thursday	2.75	5.5	2.75
French Connection Group	—	1.75	3.5	1.75
Gaskell Broadloom	Monday	1.5	3.5	2.0
Glynwed International	Monday	—	—	—
Hewden-Stuart Plant	Thursday	0.525	1.0	0.575
Hunting Petroleum Services	Wednesday	2.25	5.75	2.5
Huntleigh Technology	Monday	—	0.5	—
S. Jerome and Sons	Wednesday	1.995	0.694	2.13
Johnston Group	Tuesday	—	5.0	—
Kalon Group	Thursday	—	0.8	—
Kwik Fit Tyres	Tuesday	0.784	0.941	1.0
Laidlaw Group	Friday	1.1	1.4	1.1
John Laing	Thursday	1.75	4.25	2.0
LEC	Thursday	4.0	8.5	4.0
London and Continental Advtg. Hldgs.	Tuesday	—	1.6	0.75
London and Edinburgh Trust	Tuesday	2.5	3.75	3.0
Ronald Martin Group	Thursday	—	—	—
More O'Ferrall	Monday	1.0	2.4	—
John Mowlem	Thursday	2.2	3.73	4.0
Municipal Properties	Thursday	—	11.0	—
Newman Ind.	Tuesday	—	—	0.3
Oilfield Inspection Services Group	Thursday	—	1.0	1.0
Pearl Assurance	Wednesday	13.75	24.25	15.25
Pentland Industries	Monday	0.238	0.9999	0.34
Photax (London)	Friday	—	—	—
Pinkie Heel	Monday	0.2	0.35	0.2
Portals Holdings	Thursday	6.5	12.0	7.5
Rio Tinto-Zinc Corporation	Wednesday	6.5	13.5	7.0
Rugby Portland Cement	Monday	2.9	3.3	2.9
Scanro Holdings	Tuesday	—	1.5	—
Scottish Television	Monday	—	6.5	—
Senior Engineering Group	Thursday	0.75	0.75	0.825
Spirax-Sarco Engineering	Wednesday	1.333	3.198	1.5
Stewart Wrightson Holdings	Wednesday	2.1	6.9	3.15
Tove	Wednesday	1.75	2.35	3.0
Watts, Blake, Bearne and Co.	Thursday	3.75	7.7	1.475
Wilson (Connolly) Holdings	Monday	1.0	2.0	1.15
INTERIM DIVIDENDS				
Arenson Group	Tuesday	—	—	
Dowding and Mills	Thursday	0.525	0.875	
Ferry Pickering Group	Wednesday	0.9999	1.7273	
London & Prov. Shop Centres (Hldg.)	Tuesday	3.0	2.6	
Marshall's Universal	Tuesday	—	—	
Memory Computer	Monday	—	—	
New Court Trust	Tuesday	4.125	10.125	
Share Drug Stores	Thursday	0.7	1.1	
Smiths Industries	Wednesday	1.5	3.0	
UDO Holdings	Tuesday	1.25	2.5	
Ulster Television	Friday	2.5	2.73	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † 53 weeks.

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

	Quoted rate %	Compounded return for taxpayers at 29%	45%	60%	Frequency of payment	Tax (see notes)	Amount invested £	Withdrawals (days)
CLEARING BANK*								
Deposit account	5.75	5.90	4.57	3.32	monthly	1	—	0.7
High interest cheque	8.25	8.50	6.58	4.79	quarterly	1	2,500 minimum	0
3-month term	7.63	7.85	6.08	4.42	quarterly	1	2,500-25,000	90
BUILDING SOCIETY†								
Ordinary share	6.00	6.09	4.72	3.43	half yearly	1	1-250,000	0
High interest access	7.75	7.75	6.00	4.37	yearly	1	500 minimum	0
High interest access	8.00	8.00	6.20	4.51	yearly	1	2,000 minimum	0
High interest access	8.25	8.25	6.39	4.64	yearly	1	5,000 minimum	0
High interest access	8.50	8.50	6.58	4.79	yearly	1	10,000 minimum	0
90 day	8.50	8.68	6.72	4.89	half yearly	1	500 minimum	90
Premium	8.42	8.69	6.73	4.90	quarterly	1	10,000 minimum	90
NATIONAL SAVINGS								
Investment account	11.50	8.17	6.33	4.60	yearly	2	5-50,000	30
Income bonds	12.00	9.00	6.97	5.07	monthly	2	2,000-50,000	90
31st issue‡	7.85	7.85	7.85	7.85	not applicable	3	25-5,000	8
Yearly plan	8.19	8.19	8.19	8.19	not applicable	3	20-200/month	14
General extension	8.52	8.52	8.52	8.52	yearly	3	—	8
MONEY MARKET ACCOUNTS								
Money Market Trust	8.98	9.18	7.11	5.17	half yearly	1	2,500 minimum	0
Schroder Wagg	8.04	8.34	6.46	4.70	monthly	1	2,500 minimum	0
Provincial Trust	8.78	9.14	7.08	5.15	monthly	1	1,000 minimum	0
BRITISH GOVERNMENT STOCKS§								
7.75% Treasury 1985-88	9.37	7.08	5.82	4.63	half yearly	4	—	0
10% Treasury 1990	9.17	6.32	4.75	3.27	half yearly	4	—	0
10.25% Exchequer 1995	9.00	6.17	4.60	3.13	half yearly	4	—	0
3% Treasury 1987	8.46	7.55	7.04	6.57	half yearly	4	—	0
3% Treasury 1989	7.85	6.90	6.38	5.89	half yearly	4	—	0
Index-linked 1990¶	8.22	7.58	7.23	6.89	half yearly	2/4	—	0

* Lloyds Bank. † Halifax. ‡ Held for five years. § Source: Phillips and Drew. ¶ Assumes 4 per cent inflation rate. 1 Paid after deduction of composite rate tax, credited as net of basic rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Aaronite Group¶	60‖‖	63	60	3.15	Morceau Holdings
AC Cars	95*	231	85	1.90	Mr W. West
Addison Page	257½	255	250	41.82	Chetwynd Streetz
Berisford (S. W.)	253½	248	230	485.36	Hillsdown
Bush Radio	151	146	155	14.19	Prestwich Hldgs
City & Forgn Inv	122§	134	115	4.88	Harvard Secs
Clive Discount	50*	50	47	11.95	Bache Group
Ctry Gentlemans	910§	910	775	6.72	Bestwood
Ctry Gentlemans	£11½	910	775	8.30	Fredericks Place
Cope Allman	360‡	353	282	81.23	Hawley Group
Distillers	726§§	706	510	2.637bn	Argyll Group
Distillers	757§§	706	627	2.749bn	Guinness
Dixon (David)	370	368	325††	6.72	Gelfer (A. J.)
Group Lotus¶	129½*	128	120††	22.74	GMLG
Haslemere Ests¶	640*§	635	505	188.62	Rodamco Prop
Home Charm	383	372	333	163.95	Ladbroke
Imperial Group	338§§	358	291	2.556bn	Hanson Trust
Imperial Group	350§§	358	291	2.646bn	Utd Biscuits
Kenning Motor	240	220	173	101.21	Tozer Kemsley
Martonair Intl	634	605	525	82.54	IMI
McCorquodale	212.5	225	210	108.91	Norton Opax
MCD	213	208	198	37.21	Crowther (J.)
Newman Tonks	149§§	139	96	46.69	McKechnie Bros
Promotions House	35	36	23	8.77	WPP Group
Raybeck	47½*	42	44	17.43	Legibus 687
Shaw Carpets	25	26½	29	4.45	Lamont Hldgs
Somportex	28½*	168	27	0.79	Messrs N. Wray & C. Mattock
Sonesson	190*‖	£17½	£13½††	3.23bn	Fermenta
Spencer Clark	140*	166	131	7.03	Williams Hldgs
Staffs Potteries	132	130	122††	7.43	Coloroll
Staffs Potts Pref	330	315	255††	5.30	Coloroll
UKO Intl	261§	259	182	36.68	Suter
Utd Com & Tech¶	126§	115	105	3.15	Park Place
Wadkin¶	260	268	170††	12.48	Robinson (Thos)
Watson (R. Klvn)	275*	272	248	8.25	Coopervision
Woolworth Hldgs	772	900	633	1.722bn	Dixons Group
W. W. Group	367	360	255	9.07	Crowther (J.)

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ** Based on April 4 1986. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined. ‖‖ Loan stock. ‡‡ Suspended. ‖ Swedish kroner.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Albright & Wilson	Dec	29,100	(30,400)	—	(—)	—	(—)
Alexandra Work	Feb	2,920†	(1,950)	16.4	(10.8)	6.0	(—)
Amari	Dec	7,240	(6,510)	16.1	(15.8)	6.2	(2.7)
Amec	Dec	25,500	(27,100)	24.8	(29.6)	11.0	(11.0)
Arcolectric	Dec	283	(227)	3.1	(3.1)	0.72	(0.65)
Arncliffe Hldgs	Oct	276L	(387)L	—	(—)	—	(—)
Aspen Comm	Dec	1,110	(634)	9.8	(6.2)	2.8	(1.0)
Assoc British Prts	Dec	17,200	(7,000)L	32.0	(—)L	10.0	(8.5)
Atlantic Computer	Dec	17,130	(10,520)	30.4	(18.6)	2.31	(1.69)
Automated Sec	Nov	8,660	(6,260)	12.8	(10.8)	1.5	(1.24)
J. Billam	Dec	232	(193)	11.1	(—)	3.53	(2.8)
Blockleys	Dec	1,920	(1,570)	75.1	(69.9)	26.0	(21.0)
Brammer	Dec	13,590	(10,170)	22.3	(20.4)	12.5	(7.75)
Breedon & Cloud	Dec	1,340	(1,100)	14.0	(10.7)	10.0	(8.9)
BSG	Dec	6,520	(4,210)	3.7	(2.1)	1.1	(1.0)
Bunzl	Dec	42,670	(27,650)	29.2	(21.9)	5.75	(7.5)
Caparo Prop	Dec	86	(188)	0.8	(1.44)	0.2	(0.5)
CCA Galleries	Dec	432	(333)	7.1	(5.5)	1.0	(—)
Charterhall	Dec	1,760	(3,070)	—	(3.5)	—	(0.6)
Christies Int	Dec	12,250	(16,250)	14.83	(18.14)	5.5	(5.5)
Cluff Oil	Dec	9,000L	(635)L	—	(—)	—	(—)
Coats Bros	Dec	11,520	(12,320)	15.78	(15.69)	4.6	(4.6)
Cockburn Cement	Dec	5,260	(4,260)	—	(—)	—	(—)
Common Bros	June	26,270L	(20,080)L	—	(—)	—	(—)
Croda Int	Dec	22,880	(20,050)	12.1	(10.5)	7.0	(6.46)
Derwent Valley	Dec	41	(25)	27.9	(16.3)	80.0	(80.0)
Desoutter Bros	Dec	4,710	(4,540)	32.0	(24.1)	7.3	(6.46)
James Dickie	Oct	51	(2)	3.7	(2.0)	1.25	(0.5)
Downiebrae	Dec	234	(101)	—	(—)	1.5	(0.5)
Elys (Wimbldn)	Feb	500	(473)	25.8	(19.9)	9.5	(9.0)
Emess Light	Dec	3,380	(2,240)	14.3	(11.4)	5.5	(4.6)
Empire Stores	Jan	5,790	(3,090)	10.88	(6.0)	3.75	(2.5)
Enterprise Oil	Dec	62,700	(62,700)	29.5	(29.5)	8.5	(8.0)
Exec Clothes	Dec	377	(117)	16.49	(5.5)	2.0	(—)
Forward Tech	Dec	1,020	(722)	—	(—)	0.5	(—)
Gibbs & Dandy	Dec	601	(408)	5.3	(3.0)	1.8	(1.58)
Glanfield Lawren	Dec	25	(251)L	0.3	(—)	—	(—)
Lawrence Gould	Dec	411	(378)	13.3	(11.6)	3.6	(3.3)
Greenbank Group	Dec	1,770	(1,400)	4.32	(3.24)	2.4	(2.1)
GRE	Dec	3,500	(92,200)	—	(—)	28.75	(26.0)
House of Lerose	Dec	1,200	(727)	15.3	(10.6)	8.4	(8.0)
George Ingham	Dec	115	(86)	5.1	(3.9)	1.5	(1.0)
Ibstock Johnsen	Dec	11,360	(12,420)	13.68	(13.03)	4.8	(4.0)
William Jacks	Jan	361	(190)	2.9	(2.17)	1.1	(1.0)
John I. Jacobs	Dec	1,300	(1,300)	4.3	(3.8)	3.6	(3.3)
JSD Computer	Dec	626	(408)	6.3	(4.2)	2.1	(1.5)
Lambert & Hwrth	Dec	1,640	(1,560)	19.9	(18.9)	5.75	(4.79)
Lond & Manchstr	Dec	6,590	(5,790)	—	(—)	23.8	(19.8)
Lopex	Dec	2,300	(2,260)	38.0	(31.6)	20.0	(—)
Lyon & Lyon	Dec	429	(443)	10.0	(6.8)	5.5	(5.5)
Magnolia Group	Dec	1,030	(641)	10.93	(6.97)	3.35	(2.6)
Manders	Dec	4,290	(4,260)	17.8	(19.1)	8.1	(7.5)
Molins	Dec	8,100	(6,000)	19.2	(8.2)	7.9	(7.9)
Monument Oil Gas	Dec	39	(13)	0.2	(0.1)	—	(—)
Wm. Morrison	Feb	15,700†	(11,730)	9.94	(6.92)	1.35	(1.1)
MY Dart	Dec	806	(301)	—	(—)	1.0	(0.75)
Ocean T. & T.	Dec	31,900	(30,100)	17.5	(16.8)	6.5	(5.5)
Plan Inv Group	Dec	234	(206)	—	(—)	2.5	(1.65)
Provincial Ins	Dec	368	(3,090)	—	(—)	25.0	(23.0)
Reckitt & Colman	Jan	123,390	(108,400)	48.22	(41.94)	16.0	(14.3)
Relyon	Dec	22,750¶	(19,650)	12.6	(12.9)	4.65	(4.45)
Rohan Group	Dec	130‡	(3,320)	—	(—)	4.8	(12.75)
Rotaflex	Dec	3,190	(2,760)	18.5	(16.8)	5.0	(4.5)
Scottish Heritable	Dec	3,250	(1,900)	—	(—)	3.0	(2.5)
Slough Est	Dec	39,520	(34,690)	11.7	(10.2)	5.5	(4.8)
A. G. Stanley	Dec	2,600	(1,780)	5.82	(3.45)	1.5	(1.5)
Steel Burrill	Dec	4,770	(3,050)	—	(—)	7.0	(3.75)
Sun Alliance	Dec	37,700	(47,600)	—	(—)	17.5	(15.5)
Sun Life	Dec	15,100	(12,600)	—	(—)	23.74	(19.78)
Sunbeam Wolsy	Dec	1,340‡	(1,210)	12.1	(11.8)	4.0	(4.0)
Weir	Dec	9,030	(6,850)	12.0	(6.6)	2.88	(2.5)
Wiggins Teape	Dec	40,000§	(21,300)	—	(—)	—	(—)
Wold	Dec	405	(1,470)	1.0	(5.0)	—	(—)
WPP Group	Dec	412	(311)	6.0	(5.0)	2.64	(2.4)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
A. Beckman	Dec	862	(754)	1.95	(1.95)
Britannia Sec	Dec	734	(363)	0.6	(0.5)
Burton	June	74,300	(34,700)	1.6	(1.25)
Christy Hunt	Dec	55	(9)	—	(—)
Druck	Dec	953	(712)	1.8	(1.5)
Gabicci	Dec	330	(250)	1.0	(0.9)
Jayplant	Nov	26	(66)	—	(—)
Manson Finance	Dec	676	(644)	0.75	(0.63)
Martonair Int	Jan	3,310	(2,650)	2.5	(2.2)
Nw Cavendish Est	Dec	58	(54)	—	(—)
Property Trust	Sept	1,280L	(—)	—	(—)
Ramus	Jan	211	(217)	1.5	(1.5)
Staffs Potteries	Dec	1,000	(796)	1.33	(1.0)
Town Centre Sec	Dec	1,430	(1,100)	0.4	(0.4)
H. Young Hldgs	Jan	590	(313)	1.2	(1.05)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net pence per share except where otherwise indicated. † Figures for 53 weeks. ‡ Irish pounds. § Net figures. ¶ Turnover. L Loss.

OFFERS FOR SALE PLACINGS AND INTRODUCTIONS

Peel—Raising £35m through the issue of debenture stock.

Industrial sector saves the day

THE Australian share market has managed to power its way through the increasingly grim realities of the economy this year with the overall market indicator shrugging off high interest rates, a ravaged rural sector, and disarray on the energy front.

The real impetus for the 13 per cent rise in the broad market indicator, the All Ordinaries Index, to 1,150 points, has come from the industrial sector which is up 24 per cent, or 350 points, since the start of the year and is moving almost daily to new highs. Strong earnings and better prospects for a number of influential companies in the index weightings has helped, with the single largest influence being the substantial re-rating of the banking sector.

From the start of the year, the banks' index has leapt 33 per cent to 1,730 points with the three majors—Westpac, National and ANZ — climbing from A$4.60, A$4.58 and A$4.47 respectively to A$6.16, A$6.40 and A$5.94. Much of the impetus has come from offshore, mainly the US, where several major securities houses have reassessed the banks and recommended purchase. A small purchase in US terms translates to big volume

Sydney

in Australia, and daily volumes in each of the banks recently has averaged in the A$2m to A$5m range on the latest wave of foreign buying.

Other one-off stocks have also captured the market's imagination. News Corporation has almost doubled to A$16.60 over the past three months as the Murdoch Group has crashed through at Wapping and tied up the US television and film end of its leap into the future. Forecasts that, over themedium term, Newscorp is either a A$7 stock if the grand concept fails or a A$70 stock if it works, are now tending towards the successful end.

Its friend at Wapping, TNT, has also moved up sharply through higher earnings and the elimination of its transatlantic shipping concerns; while another transport company, Brambles, has moved up almost 50 per cent on the back of the strong earnings prospects arising from its expansion into European rail wagon leasing.

Bond Corporation and Elders IXL have prospered, while Bell and BHP have gyrated with the market views on how their takeover duelling will pan out (but with BHP sagging visibly as its earnings prospects evaporate with each turn of the screw by the Saudis). Indeed, the oil price collapse has battered the oil patch, where the oil and gas index is down 150 points, or 25 per cent, since the start of the year.

The poor performance of the oil sector has been reflected in the overall resources index which is down 13 points, or 2 per cent, so far this year

For the bulls, the metals and minerals sector remains a key factor in overall market performance. They have latched on to the possible positive effects on the world economy from lower oil prices, one of those effects being to provide impetus for additional use of metals. Already, aluminium prices have improved and copper has gone well.

The bears, of course, believe the industrial market is seriously over-done given the low growth outlook for 1986-87 and the severe contraction of economic growth expected in the closing half of the present year as a result of Government monetary policy. Steps to re-stimulate the housing market — with only minimal government cash involved — are a sign the Government is willing to give the economy a kick without abandoning its deficit restraint.

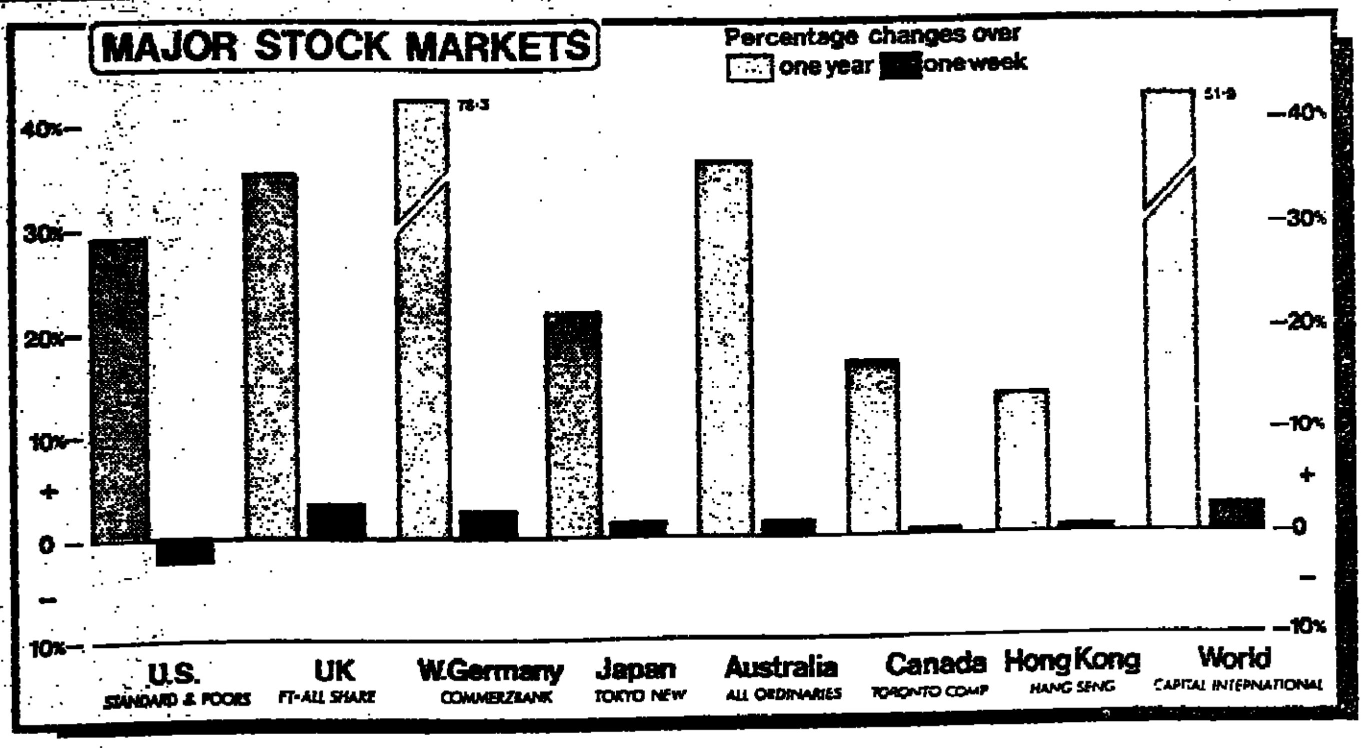
The over-riding concern, though, is the current account deficit and its effect on the value of the dollar, which is being propped by interest rates and a weaker US dollar.

Fundamentals aside, the takeover game continues to provide its own stimulus, both with the raiders themselves driving up prices and defenders wading in to mop up loose scrip to protect the back doors of the establishment.

The cash released from the takeover and defence exercises is merely adding to the swelling cash flows of the life insurance and superannuation institutions. And with companies showing a curious aversion to raising fresh equity through rights issues, there is a great deal of loose cash sloshing around the system.

Meanwhile, the market will have a new toy to play with next week with the reintroduction of regulated short-selling in 58 top stocks. The short limits and the size of the companies should prevent any efforts to corner the market to squeeze the shorters, the process which brought the original bans on shorting 15 years ago.

Lachlan Drummond



Suddenly, the bulls are wondering

WALL STREET ended the first quarter of 1986 in fine form with the Dow Jones Industrial Average putting on more than 270 points. The second quarter has opened far less impressively. In the first three days the Dow has shed over 50 points, leaving the bulls wondering nervously if this is the beginning or end of the long overdue correction.

Since the present leg of the bull rally began in mid-September, the Dow has leapt by just over 40 per cent and last week touched a new peak of 1821.72. While the broader-based stock market indices have failed to match the 500-point plus rise in the Dow, the Standard and Poor's 500 index has risen by 31.5 per cent over the same period and checked in at a new peak of 238.97 on the eve of Good Friday.

This week's shakeout on Wall Street has been aggravated by some technical factors which were particularly evident in the final hour of trading on Thursday when a wave of "futures related" sell programmes knocked over 30 points off the Dow in less than 25 minutes. "We were sitting there fat, dumb and happy, not doing much of anything, before the programmes hit" said one shocked trader after the event.

Many of the biggest daily moves on Wall Street recently have been caused by the increasing popularity of complex futures-related trading activities which bear little relation to changes in the stock market's underlying fundamentals. Many of these stock index futures programmes are based on an arbitrage concept involving the rapid acquisition of a "basket" of securities simulating the Standard and Poor's 500 index on the floor of the New York Stock Exchange, while simultaneously selling short a futures contract on the Chicago Mercantile Exchange.

Open interest on the June Standard and Poor's 500 stock index now stands at 81,115 contracts, which is equivalent to $9.4bn of stocks. These are very substantial sums of money and help explain the crazy trading activity which can sometimes erupt when sizeable futures-related orders are let loose on the stock market.

The latest issue of Morgan Stanley's widely-read Perspectives says that the programmes are a form of interest rate arbitrage and can be profitable when futures premiums expand

Wall Street

to several points above the value of the underlying index. Because the programmes require FHST, synchronised executions to be profitable, they sometimes create frenetic trading activity in a limited number of stocks and add to the present feeling that Wall Street is rife with speculation.

The phenomenon has added to the unease of investors who are wondering whether to take some profits on their portfolios after Wall Street's dreamlike advance over the past few months. There is beginning to be a feeling that recent events are just too good to be true and cannot last.

The oil price is at the centre of this uncertainty. On Tuesday, the price dipped below $10 a barrel for the first time in more than a decade and, all of a sudden, members of the Administration started voicing concern about the problems this was causing to America's oil companies and some of its banks.

Vice-President Bush, who made his fortune in the oil business, and John Herrington, the Energy Secretary, both appeared to be telling the Saudi Arabians to stop forcing oil prices down; and although the Administration later said that they had been misquoted, there are signs that the US is beginning to reconsider its support for lower oil prices at any cost.

The credit markets moved erratically this week as traders tried to decipher Washington's double-talk on oil prices. The dramatic drop in the price of crude over the past four months is the main factor driving the epic rally in US bond prices. The market is now using a rule of thumb that oil prices of between $8 to $10 a barrel mean long bond yields of 7 per cent or less, and a price of $10 to $12 a barrel means bond yields of 7.5 per cent-plus.

By Wednesday, the US Government's closely watched long bond had touched a peak of 122[illegible] to yield 7.38 per cent, but has since been slipping back as oil prices rebounded. The market has been supported in the short term by the growing belief that the US is planning to cut the discount rate again.

The news from the economy still shows little sign of the expected upturn in activity. Car sales in March fell 15.6 per cent and earlier this week General Motors ordered its biggest production cutback since 1982. Unemployment fell by 0.1 per cent to 7.2 per cent in March which is not particularly encouraging as this is a period when employment should be rising strongly.

While the outlook for interest rates and lower inflation continues to underpin the credit markets, Wall Street has begun to pay attention a little more closely to the bad news, and the market's immediate concern is the outlook for corporate profits. The first-quarter results should begin hitting the wire over the next couple of months.

The early omens are not very reassuring. Standard and Poor said this week that the number of companies announcing first-quarter dividend increases was the lowest for over a decade. It says that this reflects poor earnings in 1985 as well as expectations for continued low earnings in the first quarter of 1986.

S and P says we are likely to see a pick-up in dividend increases over the next several months as the benefits of lower interest rates, lower oil prices and a weaker dollar are reflected in improved earnings, but warns that investors should not expect companies to be "unduly generous."

Monday	1,818.61	− 3.11
Tuesday	1,790.11	−28.50
Wednesday	1,795.26	+ 5.15
Thursday	1,766.40	−28.86

William Hall

Tin price may rise when dust settles

THE cloud of dust thrown up when the International Tin Agreement crashed in October is still far from having settled. Tin trading remains suspended on the London Metal Exchange; but life goes on and it is possible to buy and sell the metal in the so-called unofficial market at prices which are now under £4,000 a tonne.

While respecting the old maxim that the true value of any commodity is what a buyer is prepared to pay, it could be that these prices reflect the exceptional circumstances of a market in disarray. We might well see rather higher levels merging when the murk eventually clears.

Nobody, however, is looking for a return to the £8,140 price being paid just before the LME closed its books. Nor was that price particularly generous as far as the mines are concerned, especially those in Cornwall. Among them, the veteran Geevor at **Pendeen** needs more than £8,000 to break even.

Geevor is now losing about £350,000 a month and, to make matters worse, the LME debacle has deprived the company of £1m cash from previously-made forward tin sales at higher prices which will not now be

Mining

realised. So, as from Monday, mining operations will have to be suspended and workers laid off pending Government aid.

The situation has also been described as "very serious" for the **Rio Tinto-Zinc** group's tin mines in the West Country, notably South Crofty and the young (by Cornish standards) **Wheal Jane** operations. These provide feedstock for the group's Capper Pass smelter on Humberside, and require tin prices of around £6,500 to break even.

The Cornish tin industry's appeal for government assistance has been strongly supported by the Trade and Industry Select Committee of the House of Commons, and Geevor is asking for £20m to help pay for the capital works which could bring operating costs down to about £6,000 per tonne.

Chances of some form of government assistance being offered seem good, if only becaus of the high level of unemployment in Cornwall. The big question that remains, however, is how Cornwall's tin mines can compete with lower-cost producers elsewhere in the market for a metal which has yet to find new uses to replace those lost to other materials.

On the gold front this week we have seen a hiccup in the bullion prices. This was brought about, it is said, by the tumbling barrels of oil, which should mean lower inflation rates and, presumably, less buying of gold from the Middle East. At all events, the dollar price of bullion later steadied.

The South African price for the first quarter of this year has been adversely affected by the improvement in the value of the rand against the US dollar. It has averaged R23,800 per kilo, compared with R26,800 received by the gold mines in the final quarter of 1985.

This points to reduced operating profits in the March quarter reports which will start to flow in next week from the mines in the **Consolidated Gold Fields** group. Even so, the past quarter's average price is still above the previous full year's level of around R22,140.

In Australia, **North Kalgurli** has boosted its gold production capacity to more than 130,000 oz a year (output in the half-year to December 31 was 44,253 oz) by the purchase for A$37m (£18.3m) of the Paringa joint venture operations.

An 80 per cent holding came from CSR and the rest was sold by **Hampton Australia**, the 75 per cent-owned subsidiary of **London's Hampton Gold Mining Areas**.

Hampton Australia received a useful A$7.4m for this "job lot" sale and will be able to put the money to better use in the development of its well-regarded other Western Australian gold prospects.

Good progress is being made with these gold ventures, which includes Jubilee project where a favourable feasibility study is expected to be completed by about mid-year.

● Hit by low nickel prices and rising expenses, Australia's **Western Mining** is to close its higher cost mines and cut output by 10 per cent. Five of the 11 small operations at Kambalda, Western Australia, will be closed immediately and the South Windarra open pit will follow in three months.

Further cost increases are expected including wage awards and the impact of proposed fringe benefit taxes on employee housing.

The company says the situation has been aggravated by an unusual recent level of industrial stoppages at Kambalda.

Kenneth Marston

Mortgage rates

Calculated risks

DON'T be taken in by figures. That seems to be the essential point for you to bear in mind when comparing rates in the current battle among providers of mortgages. At first sight a rate of 12 per cent for a mortgage (as now charged by most building societies and some *banks) would seem a better bargain* than, say, a rate of 12.25 per cent. But that is not the case. It all depends on how that interest rate is calculated.

Virtually all building societies, and the NatWest and TSB banks, calculate the annual mortgage interest payable on the balance outstanding at the start of the year. But most banks base their calculations on the daily outstanding balance, which gradually reduces, cutting the amount on which interest is charged. Barclays Bank says the difference is 0.25 per cent, meaning that their new mortgage rate of 12.25 per cent is competitive with the 12 per cent quoted by the building societies. There is a further refinement. Among the main clearing banks, Barclays and Midlands deduct interest on a quarterly rate, while Lloyds use a monthly basis and this offsets the lower (12 per cent) rate it quotes.

The use of APRs (Annual Percentage Rates) is not much help either, unfortunately, in comparing rates. They were introduced by the Government to deal with just this problem, enabling borrowers to make a true comparison of quoted rates taking "hidden" charges into account as well. So far, however, no common yardstick for calculating APRs has been established, in spite of legislation, and there are considerable variations in what is included or not.

One practical way of comparing rates is to find out the actual amount you have to pay each month, and this has been used in the accompanying table. However, there are problems here too. In the table the rates quoted are for repayment mortgages, with the normal 29 per cent tax relief incorporated.

The basic endowment repayment rates are cheaper, but you have to add on the insurance policy premium which can vary considerably according to the company and the individual involved. A further complication is that some societies and banks offer an arrangement whereby you pay a lower rate *at first*, taking full advantage of the tax relief, but more later as the tax relief diminishes.

At the same time it is important to check what restrictions *are imposed by the lender and* whether there are any additional charges.

For example, the Cheltenham and Gloucester Building *Society Goldloan mortgage rate* appears to be the lowest available at 11.75 per cent. However, it applies only to endowment or pension linked loans of over *£30,000, which do not exceed* 75 per cent of the valuation of the property.

With many of the clearing banks, there is an additional *arrangement fee of £100 to be* paid, although Barclays has waived its £125 fee on mortgage applications received in April, May and June.

The Midland Bank, in an aggressive push to gain mortgage business, is offering a special deal to new (not existing) borrowers until May 31, cutting its normal mortgage rate by 0.5 per cent to 11.75 per cent, but for the first year only. It is also giving further inducements to subsidise the cost of legal fees and transferring your mortgage to the Midland.

MONTHLY PAYMENTS
£30,000 repayment mortgage over 25 years

Lender	Interest rate %	Net (29% tax relief) £
Abbey National	12.00	244.70
Anglia	12.00	244.69
Barnsley	11.90	243.69
Barclays	12.25	231.60
Citibank	11.95	241.25
Halifax	12.00	244.69
Lloyds	12.00	228.97
Midland	12.25	227.40
(first year)	11.75	220.20
Nationwide	12.00	244.71
NatWest	12.00	231.75
TSB	12.50	239.24
Woolwich	12.00	244.86

London and Manchester is offering an even lower rate to some new borrowers. Those taking loans between £40,000 and £250,000 will be given a refund equivalent to 1 per cent below its standard rate of 12.25 per cent, following the first anniversary of completion of the loan. Qualifying borrowers will *thus effectively be paying only* 11.25 per cent interest during the first year.

The United Bank of Kuwait, which announced last month that it would base its future mortgage rate on the Libor (London Interbank Offered Rate) for three-month deposits, plus 0.875 per cent, has shifted ground following the decline in interest rates. The Libor based rate, based on the April 1 market quotation, worked out at 12.3125 per cent for three months ahead. But as this is not immediately competitive, the Kuwaiti Bank is offering the alternative option of a home loan rate of 12 per cent. Borrowers, therefore, have to decide whether to go for a known fixed three-month rate at a higher cost initially or go for the normal variable rate.

Citibank also sets a more competitive *rate, cutting the* cost of both its endowment and repayment mortgages of over £15,000 to 11.95 per cent. Because of its method of calculating interest, the Citibank monthly repayment figure is now below that of the major building societies.

Another big US bank, Chase Manhattan, said it was entering the UK home loans market for the first time. It will market through brokers and three insurance companies. The mortgage rate has been set at 12.25 per cent.

Following the independent line taken by Abbey National and the Halifax, the majority of building societies have reduced their rate to 12 per cent for all mortgages, finally eliminating the previous differential between straight repayment and endowment loans.

The Barnsley Building Society, however, has moved down to 11.90 for its repayment and endowment mortgages, effective from May 1 for existing borrowers and immediately for new owner occupiers.

The Cheshire Building Society is also charging 11.9 per cent for special Linkloan Plus endowment mortgages of between £35,000 to £100,000, pro*viding the loan does not* exceed 75 per cent of the value of the property.

With eager lenders creating a buyers market for mortgages it is obviously even more worthwhile for you to shop around. But the lowest rates quoted don't necessarily represent the best bargain.

John Edwards

Lord Hanson

Imps prepares for the big decision

THE FATE of Imperial Group looks certain to be sealed—one way or another—this time next week. The United Biscuits offer closes on Friday and if, by three o'clock on that afternoon, Sir Hector Laing and his team have failed to secure a majority of Imperial Group's equity, Hanson Trust will be almost assured of success. The chances of Imperial remaining an indepenednt company are virtually zero.

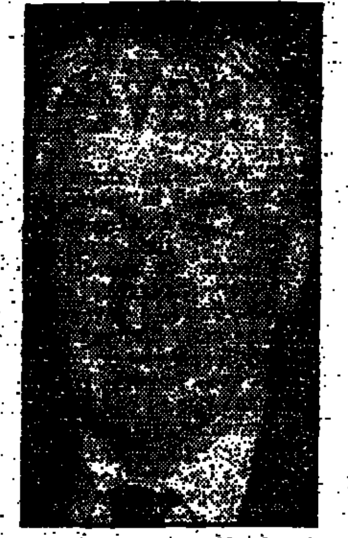
So early next week Imperial shareholders will need to decide between two offers which, while financially comparable, promise very difficult futures for their company. The arguments being advanced by Hanson and UB must by now be familiar to any Imperial shareholder with access to either a postman or a telephone but a brief recapitulation may nonetheless be useful.

Hanson Trust maintains that Imperial shareholders will enjoy a more secure future by accepting its own offer. Its record of unbroken growth in dividends and earnings per share cannot be matched by UB and its experience of making large acquisitions is far greater than its rivals. The Hanson offers — combinations of shares, cash, convertible stock and loan notes — are also worth more than the UB packages. The gap could narrow next week but it looks unlikely that UB will have overtaken the Hanson terms by Friday.

United Biscuits' board is centring all its arguments on the industrial logic of a combination with Imperial. The company maintains that there is scope for achieving economies of scale within the enlarged group simply because Imps and UB operate in similar business areas. Hanson, it claims, may be adept at stripping costs out of an acquisition but as an industrial conglomerate it cannot exploit the merger benefits—for example in buying power and distribution — available to United Biscuits. Hanson, it argues, will treat Imps as a cash machine whereas UB will plough the cash flow from tobacco back into the business in order to create an international consumer products group. UB recognises that it is coming from behind but believes tha the small financial gap between the two offers should not blind shareholders to the industrial merit of its case.

The UB offer enjoys the support of the Imps Board, which may sway some small shareholders in its favour. On this occasion, however, not too much weight should be attached to the Board recommendation since the original Imps/UB merger proposal was designed, in part at least, to pre-empt the kind of bid which Hanson subsequently launched.

Imperial shareholders wanting cash for their investment may *already have sold in the market* and, if not, should do so early next week. UB is not offering a full cash alternative while the Hanson cash terms are worth about 65p *a share* less than the price available in the market. You should consult your financial advisor before deciding which combination of cash, equity and debt *instruments* to accept. Taking paper should enable shareholders to shelter capital gains tax liabilities while the convertible and loan note options will provide additional short-term income.



Hector Laing

As to the merits of the two rivals, shareholders must decide between the relative security of Hanson Trust and the industrial future offered by UB. Hanson undoubtedly has the edge on management but many Imperial shareholders may prefer to own part of a clearly defined branded goods company than an industrial holding group in which food, beer and tobacco would rank alongside bricks and batteries.

John Makinson

IN THE NEWS

BRITISH TELECOM'S 1.6m shareholders now *have* only three working days in which to pay the final instalment of what they owe the Government for their BT shares. *The deadline for the final* call is 3 pm next Wednesday.

People who fail to meet the deadline risk losing their shares with only limited compensation. BT sent out personalised reminder letters, and details of how to pay the final instalment to one of six designated receiving banks, on February 28.

Further information can be *obtained* by calling BT's shareholder inquiry service on 0345-010505, or 0345-010707.

●

CHARITIES seeking a good home for their short-term cash balances placed a total *of £24.5m* in 1,600 deposit accounts with the Charities Deposit Fund in its first ten months of operation, according to the fund's first annual report.

Founded in March 1985, the fund is open only to charities and enables them to pool their cash so as to obtain the higher rates of interest available on large sums in the London money market. Its average deposit rate last year was 12.59 per cent (compound annual rate). Rates are published daily in the FT.

With no minimum deposit required, the fund pays interest without deduction of tax and withdrawals may be made on demand without penalty. The Fund may however require seven days' notice for withdrawals of more than £50,000.

The Charities Deposit Fund is managed in the City by an investment office shared with the Charities Official Investment Fund, the Central Board of Finance of the Church of *England and the* Local Authorities' Mutual Investment Trust. It is based at Winchester House, 77 London Wall, London EC2N 1DB. (01-*588 1815*).

Supermarket for home buyers

A NEW type of building society branch, *designed* as a model for the future, will be introduced to home buyers and investors in Leeds on Monday by the National and Provincial Build*ing Society.*

The idea is to remove the physical barriers between staff and public. The traditional official-looking counter disappears and in its place "service areas" are introduced.

Two semi-circular counter areas have been provided to emphasise that the strict division between customer and staff is a thing of the past. Mr Ian Bell, National & Provincial operations general manager, said: "To make a comparison with retailing, this is a supermarket rather than a corner shop. The customer is free to wander around and look at what we have to offer."

It is the first financial outlet to be planned by the Conran Design Group, which was chosen for the job because of its experience in the design of high street retail shops. That choice reflects the National & Provincial's wish to be seen as a retailer of financial services — a shop for investors and borrowers.

*The branch has also been de*signed with an eye to the introduction of new technology. It is fully computerised with keyboards and screens at each staff position. A self-service video unit — described by the society as an "interactive video" — stands midway between the service areas and can be used by customers to call up information on the society's services.

The branch is designed to give the society flexibility to introduce additional or different computer terminals as business hardware evolves.

Only two years ago all National and Provincial branches throughout the UK were "paper-driven." It is now computerising at a rate of 20 branches a week and all outlets will be equipped with new technology by the autumn.

The question of whether the Leeds format is adopted by other branches will be decided after a six-month trial, when both customers and staff will *have the chance to say how* they like—or do not—the new design lay-out.

It should prove acceptable to customers, if Mr James Albert Roberson, aged 82, is any judge. He has been a customer since 1920 when he deposited half-a-crown from his first pay packet —an association which has continued for 66 years.

He took out his first mortgage, to buy a £390 house in Beeston, Leeds, in 1930. Mr Roberson, a retired accounts office worker who now lives near the celebrated Headingley cricket ground, attended the preview as an honoured guest *and liked what he saw.* "The new design is very good—it's modern and that is all right with me," he said.

Fiona Thompson

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Insurance

Alarm systems lead to discounts

BRITISH insurance companies have taken a beating in recent years because of the steep rise in thefts from private homes. Payouts under household contents policies are thought to have cost nearly £250m last year alone.

The companies have replied by making residents in London and other inner city areas—the favourite haunts of thieves—pay much more for household insurance. In parts of London, premiums have been doubled and, in some cases, tripled.

However, efforts by companies to make householders more security-conscious have been confined mainly to exhortations plus a mass of literature. Until now, no company has been prepared to offer a financial incentive.

Last week, though, Royal Insurance, Britain's largest composite insurance group, launched its new household policy — HomeShield — which offers discounts on premiums if the householder takes precautions. These are:

- Home Security Scheme—a 15 per cent discount if an alarm system is fitted and maintained by any of nine major specialist UK companies, backed by suitable security locks on doors and windows.
- Burglar Alarm Discount—a 5 per cent discount for houses protected by an alarm system installed and maintained by a member of the National Supervisory Council for Intruder Alarms.
- A further 5 per cent discount if the home-owner belongs to a Neighbourhood Watch Scheme (NWS) run in conjunction with the police.

At a recent conference on crime prevention, held by the Prime Minister at 10 Downing Street, insurance companies were urged to provide such incentives. However, HomeShield was under consideration well before than although John Simpson, Royal's assistant general manager responsible for the new product, admits the NWS feature was added as a result of the conference despite there being no firm statistics as yet on which to base the discount.

Royal refutes claims from other companies that it has picked all the discounts out of the air and does not have the necessary data on which to base any of them.

Like all companies, Royal reviewed its contents premiums 18 months ago and fine-tuned this last July. Its new-for-old premiums vary from £3.50 for every £1,000 of cover in the lowest rating rural districts to £12.00 in the highest risk London areas.

However, HomeShield does not just give discounts on contents premiums. Royal has redesigned its personal insurance contracts and offers a choice of seven covers within one contract to meet all needs except motor insurance.

The contract has three important developments. First, it offers a 24-hour legal advice service at no extra cost. Second, householders can keep their premium costs down by opting to meet the first part of the claim liability. There is a variety of excesses and discounts.

Finally, Royal is offering home-owners a 30-day money-back approval period during which they can change their mind without penalty. This feature is rare for non-life policies and is a welcome innovation.

Eric Short

Unit trusts

Time is ripe for Standard Life

STANDARD LIFE, the giant Scottish life assurance company, has decided to join the rush into unit trusts. On May 1, when it receives official authorisation from the Department of Trade and Industry, it will launch a range of eight unit trusts.

The group, which has £10bn under management and is one of the most powerful institutional investors on the UK stock market, feels that the time is ripe to follow the trend set by other life companies and expand into unit trusts. It has already established a respectable track record in managing unit-linked single premium investment funds, but now it wants to get into the fast growing unit trust market where there are tax advantages for private investors.

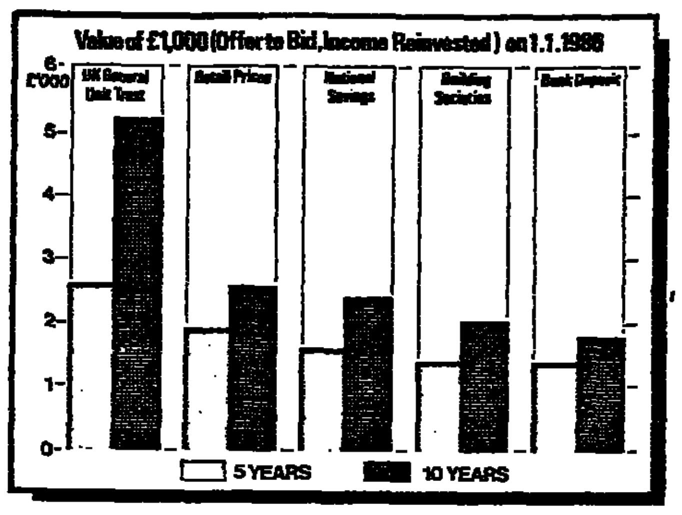
Bearing in mind the group's emphasis on consistent, rather than spectacular, investment performance, the eight different unit trusts available will not include any "flavour of the month" funds according to David Simpson, Standard Life's chief investment manager. They cover the normal range of income, capital growth and international funds.

Standard Life expects that the Managed Trust fund will be the most popular, especially with first time investors tempted to move out of building societies, but uncertain where to put their money.

However, an unusual feature of the Managed Fund is that its trust deed includes a provision to convert it into a "fund of funds" investing in other unit trusts, instead of into equities direct, if Standard Life decides this is desirable for unitholders. Such a change would require prior approval by the Department of Trade and Industry (DTI) but in theory could be implemented by Standard Life unilaterally.

In practice, according to Tom King, marketing general manager, this is extremely unlikely to happen not least because the group would have probably have to pay the costs involved, such as capital gains tax. The group's original intention was to launch a fund of funds, but this was blocked by the DTI on the grounds that it did not have an established track record in unit trusts. Nevertheless, the facility to make the change has been retained just in case.

Another controversial aspect is Standard Life's decision to leave the Unit Trust Association because is does not want to be bound by the association's rules on commission to independent intermediaries, who would not normally qualify for the 1.75 per cent marketing allowance paid in addition to the maximum basic commission of 1.25 per cent.



Standard Life claims that since unit trusts are only an alternative product to those sold through its normal life insurance selling outlets it must offer equivalent commission to avoid the advice given by the intermediary being biased by the amount of money earned.

It expects this whole question to be sorted out during the discussions leading up to the Big Bang in October, but meanwhile has decided to go ahead.

The charges to investors are not affected; there is the normal five per cent initial (front load) charge and a one per cent annual management fee. However, a 2 per cent extra allocation of units will be offered between May 1 and 15, when the units price will be fixed at 25p. After that a 1 per cent extra allocation will be available until May 31; extra units will also be given for investments over £10,000 (one per cent) and over £25,000 (2 per cent).

John Edwards

Business Expansion Scheme

Sunrise investment

BIOTECHNOLOGY IS often bandied about as the panacea to every problem from feeding the Third World to producing the perfect potato. But biotechnology is still a very young and under-funded industry. Although multinationals like Shell and Unilever have invested an extensive research programmes, the industry is dominated by a sub-structure of small companies, many of which are chronically under-capitalised.

The Government has been heavy on "sunrise industry" rhetoric; light on financial support. Thus many smaller biotech companies face the dilemma of having to scout for capital to carry them through the lean years of research and development before revenue begins to roll in.

Microplants, a young biotech company based in Derbyshire's Peak District, has turned to the business expansion scheme for its venture capital.

The company was formed in 1983 by a botanist, Martin Stokes, and a geochemist, Ashok Ranchhod, to develop new methods of plant propagation—primarily for plantation crops and rare plants — through the technology of tissue culture, rather than conventional seed raising.

Having begun its research and development programme Microplants now needs £250,000 to recapitalise its activities. The issue is open indefinitely; to minimise costs it has been coordinated by the company's directors.

Microplants is in many ways the paradigm of a business expansion scheme company. The scheme was conceived as a way of providing young, entrepreneurial companies with easy access to venture capital in order to generate jobs and boost technology. Microplants matches that brief exactly.

Meanwhile, Tweedside Sawmills is asking investors for £1.8m to establish a sawmill business in Peeblesshire, Scotland.

The sawmill is already operating, at a profit, under the aegis of the Economic Forestry Group. Tweedside Sawmill will be established to acquire the mill and to sell softwood sawn timber to the domestic packaging and construction industries.

The issue of 3.6m shares for 50p each is sponsored by the licensed securities dealers FPG, and should close on April 30.

Alice Rawsthorn

Cold calling

Nuisance abatement

TAKE COMFORT when you get that unwelcome call trying to sell you some sure-fire investment opportunity. Help is at hand. Measures to clamp down on "cold calling" (unsolicited calls) were announced this week by the two organisations charged with providing extra protection for investors—the Securities and Investments Board and Marketing of Investments Board Organising Committee.

Under proposed draft regulations and rules, cold calling on investors will be supposedly banned, with one or two notable exceptions. Following the principle that certain investments are "good" for you, life assurance salesmen will continue to be allowed to make "cold calls." So too will authorised unit trusts (helping to make Britain a nation of shareholders?) who have so far been denied the privilege.

However, the cooling-off period, during which you are entitled to change your mind without being under pressure from the salesman, has been extended from 10 to 14 days, and a lot more information about the proposed transaction will have to be provided.

Otherwise cold calling will not be allowed. Two areas specifically mentioned where cold calling will no longer be allowed are to shareholders of a company involved in a takeover battle and to sell commodity futures. At the same time all calls on potential investors will be subject to a strict conduct of business rule which will require, for example, that the caller identifies him/herself and the purpose of the call at the outset.

Under the draft rules, on which comments are sought by May 15, cold calling is defined as either a telephone call to a person's home or work; a personal encounter in the street, (eg, through "clipboard selling"); or a personal visit (eg "doorstep selling").

John Edwards

APOLOGY

The Financial Times apologises to the British Airports Authority for having published incorrect copy in their full page advertisement carried in the newspaper dated Friday, April 4th.

The new terminal 4 opens on April 12th. The erroneous copy implied that that date was 'tomorrow.'

The correct text for the advertisement appears in today's newspaper on page 9 of the 'weekend' section.

• FINANCE & THE FAMILY •

Investment trusts

Where choice counts

INVESTMENT trusts remain an obscure area to most private investors in spite of increasing efforts by the Association of Investment Trust Companies to spread the word about their merits. Split-level investment trusts, which originated two decades ago, are even less widely-known.

In common with other investment trusts, the split-level variety are in fact companies which provide their shareholders with the returns from a diversified holding of equities and fixed-interest securities.

The distinctive and possibly most attractive feature about split-level trust companies is that they have two classes of shares which offer investors a choice between capital growth or income.

If an investor buys so-called "capital shares" in one of the 10 companies tracked in the monthly FT/AITC performance tables, he is usually entitled at a given winding-up date to all (or almost all) of the capital appreciation of the trust company's assets. Higher-rate taxpayers will find this attractive since the yield will be taxable as a capital gain, rather than as income.

If however, the opts for the company's "income shares," the investor will receive all the dividend income from the trust's underlying portfolio. This means that the prices of the two classes of shares tend to move in opposite directions.

As the split-level trust company nears its winding-up date the price of the income shares will fall because, at termination, the income shareholders are repaid only at the par value of their shares, which will probably mean a large capital loss. Conversely, the price of the capital shares will tend to rise as the winding-up date approaches.

This also has the effect of accentuating the best-known peculiarity of investment trusts —the gap oor discount between the share price and the net value per share of the rust's assets. This discount occurs because of a combination of factors, including the market perception of a trust's management record and the difficulty a trust would have in realising the full value of its equity portfolio if it tried to liquidate it in one go.

In February and March, shares in the average non-specialist investment trust were selling at 23.8 per cent less than the net asset value (NAV) per share, according to figures from stockbrokers Wood Mackenzie. But among the 10 split-level trusts in the FT/AITC table ,the capital shares were selling on average at a considerably larger discount, standing at more than 30 per cent on March 17.

This reflects the fact that some of the split-level trusts will not be wound up for at least a decade, so depressing the worth of the capital shares. The discount was as high as 67 per cent in the case of a trust expected to stay alive until the year 2008.

It is hardly sprprising that the newest split-level trust to appear is offering its capital shares at a hefty initial discount of 50 per cent of the net asset value per share. The River and Mercantile Geared Capital and Income Trust has an expected winding-up date as far off as 1999, meaning that the capital shares would probably soon show a discount to net asset value in any case. Offering the shares at a 50 per cent discount means they are priced very competitively to begin with.

However, River and Mercantile Investment Management, which launched the trust this week, claims that its income shares are also a firm bet. Income shareholders will be entitled to one-third of the trust portfolio's capital appreciation at wind-up. The company is trying to raise £14m altogether, with an offer of 35m capital shares at 10p each and 14m shares at 75p.

Nick Bunker

Name	Business	Month of flotation	% price change
BBP†	Business publishing	March	+19
Gold Greenless Trott	Advertising	March	+14
Jarvis Porter	Printer of labels	February	+27
Macro 4	Computer software	January	+31
Menvier Swain†	Emergency lights	March	+15
PPL	Computers	February	+27
Spice†	Car part wholesale	February	+20
Templeton Galbraith	Fund managers	February	+ 7
Throgmorton†	Investment trust	January	+ 1
Wellcome	Drugs	January	+90

† USM

New issues boom

FLOATING off companies onto a steeply rising stock market is a walkover. Never mind if the company has gone ex-growth or if the price was set with the interests of the retiring shareholders at heart — the shares are likely to be given at least an adequate reception, to judge from the latest batch of new issues.

Only two of the issues have done worse than the stock market average: Templeton Galbraith and Throgmorton USM. Templeton, the US fund manager, was priced rather greedily by its sponsor, Cazenove, on a price earnings ratio of 20. The price has held up investors are hoping for a ruch of buying from the US when restrictions are lifted in the summer.

The prospect of US buying lies in part behind Wellcome's extraordinary flight. Wellcome remains the year's biggest surprise as well as by far the biggest money-spinner.

At the time, analysts judged the issue price to be fair and some were surprised at the 30 per cent premium made on the first day for anyone lucky enough to get shares. Now, at nearly twice the issue price, and at a large premium to the sector, it is difficult to see how there can be much mileage left

Best and worst issues aside, investors might as well have used a pin to choose which of the other companies to invest in.

An exception has been Jarvis Porter, a Leeds-based printer of labels and a solid, if rather unglamorous business. The issue was an example of what happens when a small issue—Jarvis Porter was only £5m—attracts investors' attention. The issue was sensibly priced below the sector average and was 97 times oversubscribed, attracting funds of nearly £500m.

Lucy Kellaway

BRIDGE

WHEN I WAS playing recently with Susi Weyl, two interesting deals occurred in the same rubber. Here is the first:

	N	
	♠ A J 4 ♥ K 9 8 2 ♦ K ♣ A 9 8 7 5	
W ♠ Q 10 9 8 5 3 ♥ — ♦ 8 4 3 ♣ K 6 4 2		E ♠ 7 2 ♥ Q J 10 4 ♦ A Q J 9 6 ♣ J 3
	S ♠ K 6 ♥ A 7 6 5 3 ♦ 10 7 5 2 ♣ Q 10	

Neither side was vulnerable, but North - South were 40 towards game and East-West were 60. My partner in the North seat dealt and opened the bidding with one club, East overcalled with one diamond, I said one heart, and West came in with one spade. North's raise to two hearts was followed by two passes, but West competed again with two spades, and my partner said three hearts. This was doubled by East, and *all* passed.

West led the diamond eight, and dummy's King lost to the Ace. East had no attractive return, but after some thought he played the Knave of hearts —not the card I would have chosen—which ran to dummy's King, West showing out. I returned the club five from the table. East produced the three, and my ten drew the King from West.

West switched to the spade ten, I won in hand, and cashed the club Queen, dropping the Knave on my right. Now I led my spade and finessed dummy's Knave, which held.

Three weeks ago I discussed a hand from a team match, in which I was able to draw the enemy trumps by leading a side suit. I had reached the same position in this hand. I led the club nine, East ruffed with his heart four, I overruffed with the five, and returned to the table by ruffing a diamond. When I *led back another club*, East resigned, claiming one heart trick, and conceding the balance. The result was that we made an overtrick—East's poor double had received its just deserts.

Two deals later—I have changed the table positions for convenience—this turned up:

	N	
	♠ 2 ♥ K J 10 9 4 ♦ A J 4 ♣ J 6 5 3	
W ♠ J 9 8 4 ♥ Q 8 7 3 ♦ 2 ♣ Q 10 7 4		E ♠ A 7 6 4 ♥ 6 5 ♦ K 10 8 7 6 ♣ 8 2
	S ♠ K Q 10 3 ♥ A 2 ♦ Q 9 5 3 ♣ A K 9	

I dealt in the North seat, and after two passes my partner opened with one no trump. I replied with three hearts, and South's three no trumps concluded the auction.

West's lead of the club four was helpful, and the nine won. The declarer returned a diamond, finessing the Knave, and losing to the King. Winning the club return, she crossed to the diamond Ace, West showing out, and took the marked finesse of the nine in hand. After cashing the heart Ace, South led the King of spades. East won, and another spade was taken by my partner's Queen.

In the five-card position West held the spade Knave, Queen and eight of hearts, and Queen and ten of clubs. Dummy held King, Knave, ten of hearts and Knave, six of clubs, while the declarer held ten, three of spades, the heart two, the diamond Queen, and the Ace of clubs.

South cashed her Ace of clubs, and now the diamond Queen operated a three-suit squeeze against West—admittedly, the heart was a "show-up" squeeze—and my partner collected 11 tricks. Nicely timed.

E P. C. Cotter

CHESS

LAST WEEK'S GLC international at the Great Eastern Hotel, London, finished as it began with a remarkable performance by the young British players against some of the best grandmasters in the world. Final scores, showing four home representatives in the top five, were: Flear 8½ out of 13; Chandler and Short 8; Nunn and Ribli 7½; Polugaevsky, Portisch and Spassky 7; Speelman and Vaganian 6; Larsen 5½; Plaskett 5; Dlugy and Mestel 4.

More than half the games were drawn, a normal outcome in a field of high quality, but this bare statistic conceals wide individual variations.

White: H. J. Plaskett. Black: M. Chandler. Queen's Gambit Declined (GLC, London 1986).

1 N-KB3, N-KB3; 2 P-Q4, P-K3; 3 P-B4, P-QN3; 4 N-B3, B-N2; 5 B-N5, B-K2.

As Black against Vaganian of the USSR, Plaskett preferred 5 . . . B-N5 and won by a clever trap: 6 P-K3, P-KR3; 7 B-R4, P-KN4; 8 B-N3, N-K5; 9 Q-B2, BxN ch; 10 PxB, NxB; 11 BPxN, P-Q3; 12 B-Q3, N-Q2; 13 0-0, Q-K2; 14 P-QR4, P-QR4; 15 B-K4, BxB; 16 QxB, 0-0; 17 Q-B6, P-B4! 18 QxBP? KR-B1; 19 Q-N7, Q-Q1! so that if 20 N-Q2, P-N5 when the queen will be caught by R-QB2. Vaganian had to give up his knight by 20 NxP and lost on material.

6 Q-B2, P-Q4; 7 PxP. 7 BxN first is more accurate.

7 . . . NxP; 8 BxB, QxB; 9 P-K4, NxN; 10 PxN, 0-0; 11 B-B4, P-QB4; 12 0-0, N-B3; 13 QR-Q1, PxP; 14 PxP, QR-B1; 15 Q-K2, N-R4; 16 B-Q3, R-B6?

Starting with a Queen's Indian with . . . P-QN3 and transposing to a regular Queen's Gambit, the position has now reached a middle game similar to the Semi-Tarrasch 1 P-Q4, P-Q4; 2 P-QB4, P-K3; 3 N-QB3, P-Q4; 4 N-B3, P-B4; 5 BPxP, NxP. In the Semi-Tarrasch, Black often exchanges bishops via B-N5 ch so that the white queen ends up at Q2.

The slight difference here objectively favours Black, since the WQ is misplaced at QB2 and has to move with loss of tempo. But now Chandler starts to overestimate his chances; better KR-Q1.

17 KR-K1, R-Q1; 18 P-KR4! P-N3; 19 Q-Q2, R-R6?

Black is surprised by White's rook pawn advance in place of the usual central break with P-Q5, and makes more errors. 18 . . . P-R3 is best, and now the rook should retreat to B1.

20 P-R5, Q-B1; 21 P-R6, R-B1; 22 R-QB1, P-B3; 23 RxR, QxR; 24 R-QB1, Q-Q1; 25 Q-K2, Q-KB1; 26 Q-Q2, Q-Q1; 27 R-Q1, Q-Q3; 28 P-K5!

White's earlier pawn advance set up threats to the black king, and this well-timed thrust enables the queen, rook and bishop to join in with decisive effect.

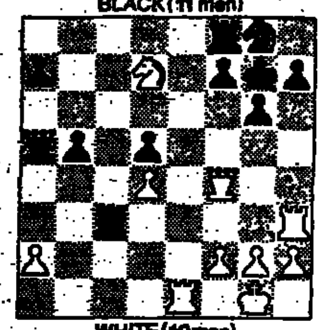
28 . . . Q-B1; 29 PxP, BxN; 30 PxB, QxBP; 31 R-QB1! QxBP; 32 R-B8 ch, K-B2; 33 Q-N5! N-B3.

If 33 . . . QxB; 34 R-B7 ch, forces mate.

34 R-B7 ch, K-B1; 35 B-K4! Q-Q8 ch; 36 K-N2, Resigns.

PROBLEM No. 614

BLACK (11 men)



WHITE (10 men)

Rashkovsky v Kupreychik, USSR championship 1981. White (to move) sacrificed a pawn for attack in this grandmaster game, and now had two plausible captures: 1 NxR and 1 RxR. One choice wins quickly, the other allows Black to escape. Which is right? In the game, GM Rashkovsky missed the hidden tactics of the position and made the wrong selection.

Solution Page XV

Leonard Barden

Bonds

Security beckons—a year at a time

WITH INTEREST rates apparently on a downward path, "yearling" bonds issued by local authorities are likely to have an additional attraction for investors, especially since they escaped the Budget net and continue to be exempt from stamp duty.

Yearling bonds—so called because they are repayable after a year at a fixed rate of interest—are not guaranteed by the Government in the way gilts are. But they are generally recognised to be among the most secure investments.

Yearlings are issued by a number of councils each week; prices and rates are announced every Tuesday morning. If you are interested in an issue, you can ask a stockbroker to see that your name is entered on the placing list.

However, you will not know the interest rate to be offered in the issue (although you can instruct an agent as to the minimum your are prepared to accept) nor will you know which local authority has issued the bond you are buying.

Rate-capped councils have not been permitted to issue bonds since November 1984, and there remain hardly any bonds from such anothrities now in issue. As councils which have since been rate-capped were responsible for about 33 per cent of all bonds issued, this has led to a considerable decline in the number of issues available.

One stockbroker who handles a large proportion of the business estimates that the flow has dwindled to between £5m-£6m a week, compared to over £10m in September last year.

But yearling bonds, which must be bought in minimum denominations of £1,000, tend to offer attractive yields in line with money market rates. The latest issue this week was by Allerdale District Council seeking to raise £500,000 and offering 10.125 per cent.

There is very little trade in yearling bonds in the secondary market at the moment. For small investors buying in relatively small amounts and holding the bonds to redemption, the expenses will be few.

Holding bonds to redemption makes sense now that accrued interest is subject to income tax under the rules against "bondwashing" which came into effect at the end of February. Before then it was possible to benefit from the treatment of accrued income as capital resulting from the sale of a bond, and including it within the minimum threshold for a Capital Gains Tax (CGT) exemption.

Stockbrokers vary in their opinions on the appeal of local authority bonds to the small investor. Mr Ray Bolger of Nivison R. & Co points out that building society bonds also remain free from stamp duty, and the investor has the advantage of knowing the exact source of issue.

In particular he recommends Nationwide Building Society bonds, which are comparable to local authority yearlings in that repayment is after one year, and the bonds are quoted on the Stock Exchange.

Issued approximately every three weeks, these negotiable bonds offer a fixed coupon which tends to offer a real premium of ½ above local authority yearlings. Modelled on the local authority bonds, Nationwide bonds have been offering a yield at the London Interbank Offered Rate (LIBOR) + ⅛-¼.

The Nationwide bonds are issued on a Friday morning, with some £3m out of a £20m issue available through the market.

Dina Thomson

Freehold flats

The need for reform and how to achieve it

ENGLAND IS one of the few parts of the western world where the law makes it impossible to have a satisfactory scheme allowing flats and maisonettes to be owned on a freehold basis. Instead, we have a clumsy system of selling long leases at tiny rents for a large capital sum.

This distortion of provisions originally devised to deal with lettings at full rents can lead to serious practical difficulties. These can have unhappy results. Poor Miss Di Palma earlier this year lost her appeal against the repossession of her £30,000 flat after she had withheld her £300 service charge during a dispute with her landlord.

Many leaseholders do not realise that they can be at serious risk of losing their home if they fail to comply strictly with the requirements of their lease.

This underlines one of the major drawbacks of the leasehold system. In most cases it involves a quite unnecessary party—the landlord, who ideally should not be involved after owners have been found for all flats in a block. At present, more often than not, the landlord collects a ground rent, retains responsibility for repairs and maintenance to the common parts of the building, and provides services such as porterage and insurance, for which he levies a service charge.

In a mounting number of cases, tenants claim that the landlord is profiting from an abuse of his position at their expense. If this happens, or if the landlord simply loses interest, tenants have little choice but to take legal action, which will almost inevitably be expensive and slow. Sometimes the landlord's functions are carried out by a management company, of which tenants may or may not be members. However, this cannot be imposed on a landlord who does not wish to give up control.

Apart from managerial and landlord/tenant difficulties, there is also a serious financial drawback to the leasehold system, which is becoming more apparent as the leases of many older flats or maisonettes come closer to expiry. Many owners are finding to their dismay that it is becoming increasingly difficult to sell their leases when they wish to move. They are being caught in the "depreciating asset" trap, in which building societies are unwilling to lend to would-be purchasers of ageing leases.

The Building Societies Association is concerned about the problem. In its report, Leaseholds—Time for a Change? published last summer, it explains that societies ". . . can normally avoid the depreciation danger by refusing to lend after a lease has less than 40 years to run, and indeed they generally do just that." The association is anxious to see reform, and points to what it regards as the better system adopted in Australia.

Reform may be on the way. The main difficulties about freehold flats are legal. There have been attempts to remove them, and the Law Commission recommends several changes in its report, Transfer of Land—The Law of Positive and Restrictive Covenants.

The main objective of the proposals is not to clear the way for freehold flats. However, they deal with the main obstacle to them under English law, which is that it is not possible to enforce positive obligations (for example to do repairs or to pay service charges) directly against the successors to an original purchaser, unless the property is held on lease.

This means that it is impossible to keep a freehold block of flats in good condition and lenders are therefore most reluctant to accept such property as security.

The Lord Chancellor's officials are considering alternative methods of creating a satisfactory regime for freehold flats. There are two approaches, both workable. One, proposed by the Law Commission, is to allow the lawyer drafting each individual flat or maisonette scheme to set up his own system modelled on the procedure now adopted for long leasehold blocks—but on a freehold basis.

They have also suggested special provisions to "rescue" the limited number of existing freehold blocks, which typically were built in the 1950s in retirement towns like Worthing, where most original purchasers did not need mortgages, but where it is now proving very difficult to sell to successors.

The alternative approach is that it should be compulsory in England to copy the Australian system of "Strata Title" or to follow the precedent of American condominiums. Each system provides for standardised documentation covering freehold blocks.

In the Australian system the obligations of the flat-owner who purchases a strata unit are laid down in law, not left to a lease which may be imperfectly drafted. The condominium system is similar, but you buy a share in the whole block, rather than an individual unit.

The Building Societies Association favours the former system which it says has been a notable success in New South Wales for 20 years. It disagrees with the Law Commission's desire for flexibility, preferring the benefits of certainty that Strata Title brings.

So far as bringing in new legislation is concerned, what you lose on the swings you will gain on the roundabouts. To introduce rigid Strata Titles would mean complex initial legislation, but there would be less divergence between individual schemes, and experience would make the system familiar quite quickly. The alternative method would be simpler to enact, and would give more flexibility, but would mean that every scheme would have to be dealt with on an individual basis.

Both courses have their points, and it may take a little time yet before a decision is made. When it is, the long-held dream of freehold flats should at last come true.

Stephen Edell

BRIEFCASE

Blighted by a road

I put my house on the market last September but have not been able to sell it because of improvements to a nearby road. I estimate that the property will be approximately 19 metres from a slip road when it is built, a little more from the main road. Are there any statutory provisions for the Department of Transport to buy affected property in a case like this?

What should be my next course of action?

It may be correct that you cannot at this stage require the Department of Transport to purchase the house; but it may nevertheless be possible to serve a blight notice under Sections 192-207 of the Town and Country Planning Act 1971 as amended by the Land Compensation Act 1973—or alternatively to make a claim under Section 1 of the latter Act when use of the slip road commences. You should consult a solicitor.

Legal delays

In January 1982 a distant relative and very close friend died; for sometime she had spoken of making a new will and had asked my uncle, the senior member of the family in England, and me to be executors. This we agreed to do and believed that the will had been drawn up, signed and witnessed.

By June 1982 it was realised that she had died intestate and since I had no legal interest, administration was passed to my uncle's son, a practising solicitor. This I believe was in his personal rather than in his professional capacity. My services were offered, should they be of help, since I was familiar with her affairs. In general, this offer was accepted.

Matters dragged on and last spring I wrote to my cousin asking for a progress report and again in the summer. This brought no response but receipt was acknowledged, verbally, to a third party.

Last week I wrote by recorded delivery asking what was happening and said I would not write to him again on this matter unless he asks otherwise, but added that did not mean that I might not write other letters on the subject. The Post Office has confirmed delivery.

There is nothing that you can do yourself as you have no interest in the estate. You can of course advise those who are entitled on intestacy, and they can, in turn, insist on the proper administration of the estate, by the court if need be.

No legal responsibility can be accepted by the Financial Times for post as soon as possible.
All inquiries will be answered by the answers given in these columns.

More Briefcase, Page VIII

· FINANCE & THE FAMILY ·

Taxation

The wanting . . . and waiting

IF PAYING tax on a non-existent profit is the taxpayer's ultimate nightmare, paying tax on a profit before receiving it may be, to say the least, a little inconvenient. It is an inconvenience which can often befall those who sell shares or other assets and agree to be paid by instalments.

It happens fairly frequently when private companies are taken over for only part of the purchase price to be paid immediately. The balance may be a fixed sum, to be paid on agreed future dates, or it may be a variable amount linked to the future profit performance of the company being taken over or to some other unpredictable factor.

If the full amount payable is a known figure at the date of purchase then the capital gains tax rule is straightforward. The fact that payment is by instalments is irrelevant. The taxpayer has an immediate liability to CGT based on the full sale price, irrespective of the proportion he has actually received.

Since this can obviously work out very unfairly, the Inland Revenue is given the discretion, where the money is payable over a period of more than 18 months, to accept the tax by instalments. The tax instalments cannot be spread over more than eight years and must not run any later than the date on which the taxpayer receives his final instalment.

The law says that the Revenue should exercise its discretion only in favour of a taxpayer who convinces them "that he would otherwise suffer undue hardship."

However, in practice, it is understood that the Revenue is not influenced by the taxpayer's personal financial circumstances when making their decision. Instead they follow a rule of thumb applied equally to an immensely wealthy corporation or a relatively impecunious individual.

The rule is that the Revenue will never demand in tax more than 50 per cent of the money actually received. This applies both to the initial payment and to any future instalments.

Suppose, for example, that a shareholding, which originally cost £2,000, is now being sold for £15,000 payable in three instalments: £2,500 now, £5,000 in 1988 and £7,500 in 1990. The gain is £13,000 on which CGT is £3,900 and strictly speaking this is fully payable immediately. However, the Revenue will accept a mere £1,250 now and £2,500 from the second instalment and will wait for the remaining £150 until the final transaction payment is received.

The position is more complex if the full amount payable cannot be ascertained at the date of sale. If a property is being sold for development, the size of further instalments may depend upon the success of the development. On the sale of a company, the yardstick may be future profitability or some other performance criteria.

When a sale is structured this way, the seller is getting two separate things: immediate cash and the right to receive more in the future. For CGT purposes, the future right has to be given a present value, ie, what would someone else be prepared to pay to step into the seller's shoes.

A topical illustration was provided by the recent bid from the Weir Group for Yarrow engineering consultants. Yarrow has a compensation claim pending against the British government at the European Court of Human Rights. Weir offered to pay Yarrow shareholders approximately £4 per share immediately plus 70 per cent of any compensation, if and when received.

The bid failed, but had it succeeded the Revenue would have had to put a value on this possible extra windfall.

Suppose that the full value of the compensation claim equated to £5 per share of which the shareholders would have received £3.50 (70 per cent). This has to be discounted because of the possibility that the claim will be rejected and further discounted for the delay in getting the money.

This sort of valuation process will inevitably involve a large degree of guesswork but suppose in this case that the final figure was £1.50. Shareholders would have been treated as having received £5.50 at the point of sale—£4 of cash and an "asset" worth £1.50.

This asset then takes on a life of its own for CGT purposes. Sooner or later, in all such situations, the right to receive future consideration will either mature into an actual payment or fade away into nothing. When this has happened the vendor will be treated as having disposed of the right and will be caught in the CGT net for a second time.

Reverting to Yarrow, if a successful outcome had produced a bonus payment of £3.50 per share then CGT would have been payable on £2—the excess over the initial value of £1.50. On the other hand, if the claim had failed the shareholders would have ended up with a net loss of £1.50 per share which could have been offset against the initial CGT liability or other chargeable gains.

This treatment of the right to deferred consideration as a separate asset may cause difficulties if part of the package comprises shares in the acquiring company. Roll-over relief from CGT is normally available on a share-for-share exchange, but in this case the vendor is getting the right to receive shares, rather than the actual shares themselves, and therefore risks being taxed in full.

David Cohen

Dollar deposit accounts

Transatlantic gains

IF YOU are a frequent traveller to the US, or have strong views about the greenback, you may be interested in the move by Bell Savings Bank, one of the American savings and loans companies with assets of $343m, to promote dollar deposit accounts in Britain.

The minimum required to open any of the accounts—the equivalent of £500—is much less than is needed to open a dollar account with either the clearing banks in the UK or an American bank such as Citibank and the interest rates higher.

Most of the accounts pay a fixed rate of interest over a fixed term ranging from six months to as long as five years. Interest is paid gross, half yearly, and can be paid either in sterling or dollars. The current rate for six months deposits is 7.90 per cent gross CAR, and for five year deposits 9.46 per cent gross CAR.

Bell Savings is also offering a variable interest account aimed at holiday makers which offers instant access. The Bell US Holiday account now pays 7.02 per cent CAR on balances of $500 and over: 5.25 per cent on balances of between $500 and $300. It pays no interest, however, if the balance falls below $300.

Bell admits that these accounts are not aimed at the more conservative small saver and you will not be able to take your deposits to any Bell office in this country. It is not a licensed deposit taker, and there is thus no protection for depositors under the UK Banking Act. Depositors will be insured up to a maximum of $100,000 per person or $300,000 per couple by the Federal Savings and Loan Insurance Corporation (FCIS), a US government agency.

The other side of the coin is that Bell Savings makes no returns to the UK banking or tax authorities.

Interest can be paid in sterling, but then there is the currency exposure. If paid in dollars into the UK interest cheques will attract high transaction charges. The best way of using such an account is to roll up the interest until it can be withdrawn in the US. Deposits can be withdrawn before the end of the particular term, but depositors will suffer an interest penalty—one month's interest in the case of six months deposit account, 3 months in the case of 12 and 30 month deposits, and 12 months for five year accounts.

One of the drawbacks is that deposits cannot be made directly to Bell Savings in this country. Depositors have to send a sterling cheque to Bell Savings in the US or go through the cumbersome process of either making a Giro Overseas Payment through a Post Office, or an international money order through Barclays Bank, costing £2.50 and £2 respectively.

Alternatively deposits can be made through Access or Visa cards, when the transaction will be treated as a cash advance. Wire transfer through a bank would be too expensive except for larger transactions.

Margaret Hughes

BRIEFCASE

Rights of occupation

I have been left a house and shop. A butcher over the road paid £10 rent for the shop, garage and ground floor, mainly to stop someone opening up in opposition to him.

He had a verbal agreement to pay his own rates, electricity and phone if he started a business. He has not used the shop or paid any rates since he took over in October 1984 except to store an unconnected freezer.

So long as the tenant does not take up occupation for the purpose of his business (e.g. using the premises to store equipment used in his own shop), you should be able to obtain possession. It is essential that your notice terminating his right to occupy the shop is served on the butcher before he enters into occupation for the purposes of his business.

Inheritance plan

I am approaching retirement and intend to spend a large proportion of my capital on purchasing a new property.

There are many advertisements in the financial press regarding methods of avoiding Capital Transfer Tax but they all appear to relate to the investment of money. Is there any way, in purchasing the property, of holding the property in trust for my children which would avoid them paying CTT when they inherit the property.

If a gift is made to your children of all or part of the property which you purchase, some saving of Capital Transfer Tax may be possible, and if a number of gifts of no more than £3,000 in value in any one year are made you should effect savings as long as the process continues. You should consult a solicitor. This will now apply if you want to mitigate the new Inheritance Tax.

Marital division

My wife has gone to live with another man of her own free will.
We have a house in joint names.
She wants her share "out" of the house. She mentions 33 per cent (I was surprised not 50 per cent) but on reading some "Law" books I see mention is made that for women 33 per cent is taken as a "starting point" rather than 50 per cent. During those five years she will make no contribution to the mortgage, etc.

Your wife can certainly seek a sale of the property before a divorce, once it is no longer used as the matrimonial home. In addition a divorce would not necessarily be postponed as long as five years, if there is a basis other than separation to assert a breakdown of the marriage. The Court would take into account all the elements which you describe, such as the sources of contribution to the joint finances. The sensible course would be to negotiate a financial settlement at an early stage, since the position is likely to become more complicated rather than less, and to cost more to unravel at a later stage.

Create a trust

A property is presently held freehold, in the joint names of my wife and myself. Anticipating my deceasement, it is proposed to have 49 per cent of the equity value of the property transferred in to the name of our one and only child. In the event of my prior death, would my wife holding 51 per cent of the equity, have an overriding right as to the disposal of the property, if not how best can this be arranged, since no will is to be involved!

If you create a trust for sale and provide for the sale to be postponed during your wife's life or until she shall give her written consent to a sale there is no need for the value transferred to your child to be less than 50 per cent, or indeed any particular value.

Debt problem

I would welcome the opinion of your legal advisors concerning a problem facing an executor against whom a claim has been made for a debt alleged to have been incurred by the deceased. So far the claim is unsubstantiated and the executor believes it has no substance but the presence of the claim is preventing the completion of the estate administration. What action is recomended to enable the executor to complete the estate administration without further delay?

The executor should retain sufficient to meet the claim, if it should be substantiated, and can distribute the rest of the estate.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

BASE LENDING RATES

ABN Bank	11½%	■ Guinness Mahon	11½%
Allied Dunbar & Co.	11½%	■ Hambros Bank	11½%
Allied Irish Bank	11½%	Heritable & Gen. Trust	11½%
American Express Bk.	11½%	■ Hill Samuel	§11½%
Amro Bank	11½%	C. Hoare & Co.	11½%
Henry Ansbacher	11½%	Hongkong & Shanghai	11½%
Associates Cap. Corp.	11½%	Johnson Matthey Bkrs.	11½%
Banco de Bilbao	11½%	Knowsley & Co. Ltd.	12 %
Bank Hapoalim	11½%	Lloyds Bank	11½%
Bank Leumi (UK)	11½%	Edward Manson & Co.	12½%
Bank Credit & Comm.	11½%	Meghraj & Sons Ltd.	11½%
Bank of Ireland	11½%	Midland Bank	11½%
Bank of Cyprus	11½%	■ Morgan Grenfell	11½%
Bank of India	11½%	Mount Credit Corp Ltd.	11½%
Bank of Scotland	11½%	National Bk. of Kuwait	11½%
Banque Belge Ltd.	11½%	National Girobank	11½%
Barclays Bank	11½%	National Westminster	11½%
Beneficial Trust Ltd.	12½%	Northern Bank Ltd.	11½%
Brit. Bank of Mid. East	11½%	Norwich Gen. Trust	11½%
■ Brown Shipley	11½%	Peoples Trust	12½%
CL Bank Nederland	11½%	PK Finans. Intl. (UK)	12½%
Canada Permanent	11½%	Provincial Trust Ltd.	12½%
Cayzer Ltd.	11½%	R. Raphael & Sons	11½%
Cedar Holdings	13 %	Roxburghe Guarantee	12 %
■ Charterhouse Japhet	11½%	Royal Bank of Scotland	11½%
Citibank NA	11½%	Royal Trust Co. Canada	11½%
Citibank Savings	¶11.95%	Standard Chartered	11½%
City Merchants Bank	11½%	Trustee Savings Bank	11½%
Clydesdale Bank	11½%	United Bank of Kuwait	11½%
C. E. Coates & Co. Ltd.	12½%	United Mizrahi Bank	11½%
Comm. Bk. N. East	11½%	Westpac Banking Corp.	11½%
Consolidated Credits	11½%	Whiteaway Laidlaw	12 %
Continental Trust Ltd.	11½%	Yorkshire Bank	11½%
Co-operative Bank	*11½%		
The Cyprus Popular Bk.	11½%		
Duncan Lawrie	11½%		
E. T. Trust	13 %		
Exeter Trust Ltd.	12 %		
Financial & Gen. Sec.	11½%		
First Nat. Fin. Corp.	12½%		
First Nat. Sec. Ltd.	12½%		
■ Robert Fleming & Co.	11½%		
Robert Fraser & Ptrs.	12½%		
Grindlays Bank	‡11½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 7.69%. 1-month 8.03%. Top Tier—£2,500+ at 3 months notice 10.72%. At call when £10,000+ remains deposited.
‡ Call deposits £1,000 and over 8% gross.
¶ Mortgage base rate.
§ Demand dep. 7.69%. Mortgage 12.25%.

هكذا من الأصل

PROPERTY

The market gathers steam

IF YOU want to get settled in before the summer, then put your home on the market now, and start seriously searching for somewhere else.

After a sluggish start due to the mixed weather, the traditional annual peak-buying period is gathering steam. With interest rates lower, no shortage of funds on offer from varying sources, it looks like being a vintage year, particularly for anything of historic charm and character.

Watch out, too, for the "stickers" of last season. Sleepers over the winter, they are re-emerging, often spruced up and at more realistic prices.

Decide what you want, where you want it, and how much you can afford to pay for it. Then do not necessarily abide by it. There is rarely such a thing as the absolute ideal home. There usually has to be a compromise somewhere along the line.

After nearly two years of traumas and frustrations over abortive sales—a couple of deals were very near to exchange of contracts—we have found another home. Remaining firm over location—not far from where we are now—we had to adjust our requirements on the type of accommodation. And to be fair, we have been rather fussy.

When we sold our tall, narrow Regency house, we swore that we would never buy another place on three floors. The house we are buying is tall, narrow and on three floors: but it is exactly where we want it. The stairs have not been counted, but there must be quite a few judging by the high cost of carpeting.

Never underestimate what it will cost to move. Even to have the telephone number transferred along the road, without physically moving the instrument, is £15. Furniture removal, extra insurance, having curtains altered, changing the locks and so on, all add up.

Getting solicitors to commit themselves on total conveyancing costs is often difficult, although things are improving. Anthony Holden Crofts and Company, 54 The Grove, Ealing, London, W5 5LG, a firm of solicitors who set up in practice three years ago, have produced a free booklet, Buying and Selling Your Home. Apart from the useful step-by-step guide, covering everything from deeds to deposits, it offers a remarkable costs sheet.

Whether your home is £35,000 or £350,000 or more, freehold or leasehold, the firm's charges are £200 plus VAT. This normally includes all legal costs involved in paying off any existing mortgage and taking out a new one. To this amount, of course, must be added the statutory charges.

As an example, on a £60,000 purchase, on top of the £230 (fees plus VAT) go stamp duty, £600, the land registry fee £145, and the local search fee £15.50, making a total of £990.50.

Christopher Crofts confirms that this is what a client will pay. "There are no extras hidden away in that magic little word disbursements."

The fact that some estate agents were open over the holidays points up the fierce competition to get both sales and instructions on family days out. Fox and Sons' Hampshire offices opened on Good Friday to launch their Easter Special property booklet. (Free from Godfrey Winterson, sales director, Fox's, 32-34 London Road, Southampton.)

Mr Winterson reports strong interest in New Forest and Test Valley cottages from £72,000, and sturdy, late Victorian houses in the £135,000 range.

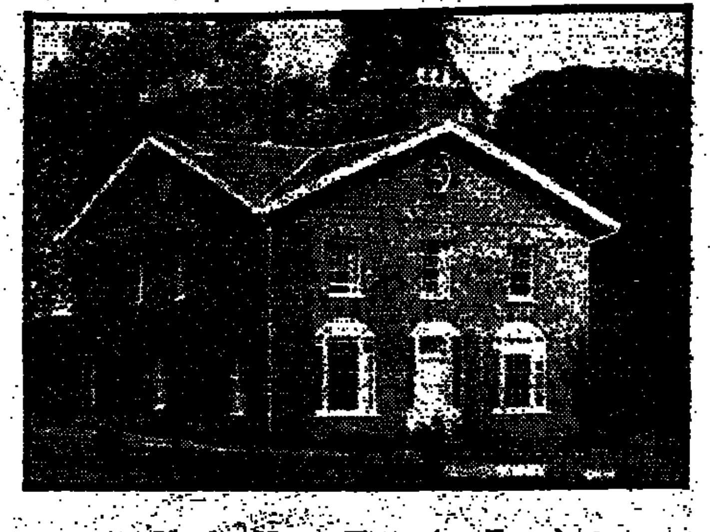
"In south Hampshire, prices have nearly trebled over the past 10 years, and there is no reason why steady appreciation should not continue." He considers that it is now a perfect market in which to buy and sell, with a reasonably well-equated balance of demand and supply, with a constant turnover of properties.

June Field

Above: Marchwood Gate, Chichester, Sussex, neo-Regency houses and flats from £85,000. Details at the show units open every day, or from Simon Johnson, Dowland (0243 774448)

Right: Prince Charlie's House, The Causeway, Duddingston, near Edinburgh, is where the battle of Prestonpans was planned. The 3 bedroom cottage is priced in the region of £47,000 through Bernard Thorpe (031 226 4484)

Briefs



Stondon Massey House (see Essex)

PROPERTY ROUND-UP

● Buckinghamshire: Clare Sudbury, Raffety Buckland, Beaconsfield, reports more than half-a-dozen inquiries a day for properties in the £200,000 and upwards class. More than 30 prospective buyers viewed Finchers, an eight-bedroom, four-bathroom house in 29 acres at Beaumond End recently, and it sold for more than £½m to a local buyer.

● Essex: Bernard Stewart-Deane, Bidwells, Cambridge, is selling the 1800-built Stondon Massey House in 97 acres near Chipping Ongar. He says that the fine estate with considerable sporting and conservation potential should appeal to "someone seeking a country seat close to London, and who has a horse-loving spouse who would want to run the indoor riding-school."

● Kent: Christopher Calcutt, Strutt and Parker, Canterbury, records a new surge of confidence in the market through the combination of the opening of the M25 and the decision regarding the Channel Tunnel. "This year houses will break the £300,000 barrier in East Kent, an extremely rare level in this part of the county."

● Scotland: John Bound, Finlayson Hughes, Inverness, marketing Cantray House in 40 acres on the banks of the River Nairn at £300,000, is highlighting the convenience of Dalcross airport, just a 10-minute drive away. "This means a businessman can work in London during the week and come home to the Highlands for weekends. The yearly cost of the weekly air travel would be only just over double the rail season ticket between, say, Petersfield and Waterloo."

● Sussex: Downland Construction's new village-style houses and bungalows at Priors Acre, near the 12th century Priory at Boxgrove, West Sussex, are designed by the Gritchell-Harrington Partnership. Each version is named after other priories in the area—Tortyngton, Hardham, Shulbrede and Michelham.

Prices are from £62,950, and Michael Brandon, Jackson-Stops and Staff's Chichester office is operating a strict reservation procedure. Nothing can be reserved if it is subject to the sale of your own home, and proof is required that your contracts are exchanged and completion agreed within four weeks. In return, after a 1 per cent deposit is paid on anything in Priors Acre, the vendors agree not to sell the property to anyone else.

● Worcestershire: Quality property on the northern edge of the Cotswolds is now in demand, says, Graham King, Banks and Silver, Worcester. "London, Paddington, is only an hour and 50 minutes away by train, and the new M42 motorway links the M5 and M1. And with faster journeys to Birmingham, prices of good country houses are moving up." Something "fairly rare" in the area is Brook Croft, in 11 acres at Great Comberton, with frontage to the River Avon. The price is £250,000.

● Yorkshire: Victorian vicarages attract a premium because of their solid construction and sheltered position in the village, maintains Tim Blenkin, Jackson-Stops and Staff's York office. On offer now is the former vicarage, Pheasant's Rise, Langtoft, north of Driffield in the Yorkshire Wolds. It dates from 1877, with a plaque above the front door commemorating the jubilee of Queen Victoria. The six-bedroom house is £95,000.

TRAVEL · MOTORING

The many faces of Bangkok

POOR Thailand! An independent country which, almost alone in Asia, avoided the clutches of western colonial powers in the 19th century; a religious country in which virtually every male becomes a Buddhist monk for some period of his life; a beautiful country, ranging from unexploited jungle in the north to under-exploited tropical islands in the south—and yet now most famous as the sex capital of the world.

The passivity, poverty and beauty of the people played into the hands of the Americans looking for a safe rest and recreation bolt hole for its army in Vietnam. Now, much to its chagrin, Thailand, most especially Bangkok, has a reputation for salacity.

Perhaps it is best to face facts and get the subject out of the way, for it would be a blinkered visitor who did not stroll through Patphong, the main sex centre of the city (rival neighbourhoods have developed to cope with the demand). Its very fame makes it unthreatening. Most tourists go to goggle, so that what is really a matter of just three short streets becomes one vast open air theatre. There is no danger and not too much badgering; just, for westerners, a glimpse of how everything is up for sale when poverty goes hand-in-hand with the absence of Protestant non-conformist conscience.

I went with a group of journalists, the majority of them women. Clubs offer basically the same show and entrance is cheap—around 45 baht (about £1.20), and for this you get a beer. For most tourists, it is more than enough to drink your beer while, on the bar counter a foot or so away, three or four girls, all quite naked, go through party tricks with cigarettes, ping pong balls, bananas, and chop sticks. It has about as much appeal as watching an amateur conjurer and the lack of mystery and sensuality, makes it depressingly unerotic. There are "massage" rooms above most bars where the tourist can take the girls.

The British hackettes were soon after a more meaty story, so on to the next club where the beer was 50 baht but you got a gymnastic show for your jaded imagination. There are also bars where the girls are selected by number.

Patphong is certainly worth a detour. It is a good natured, garish, shocking more to the mind rather than to the body, a night out for giggly tourists rather than the gateway to decadence and debauchery. Not surprisingly there is hardly a Thai in sight. They go to the enormous massage parlours which look like government ministries, located on the vast avenues that divide up Bangkok. Here you can actually get an excellent massage for around 200 baht — and then the coquetisth haggling starts.

Most hotels are unable to stop guests returning with girls, but we stayed at the Oriental which stakes its reputation on its celibacy. Like Patphong it is a tourist attraction in its own right. Every few years it rebuilds itself but it never disturbs the old structure; the hotel of Coward and Maugham, the hotel where Conrad relaxed after navigating his coaster up the Menam Chao Phya, the river that dominates Thai history.

Traditional style: Thai dancers

Sitting on the terrace of the Oriental is the best place to start a visit to the real Bangkok, the 200-year-old city whose attractions are its temples, its people and its food. The first realisation is that Bangkok has not yet been ruined by modern skyscrapers. They are coming quickly but for a few more years this will be a Thai city, its streets awash with people eating at the hundreds of stalls and markets, haggling, staring, usually smiling, small scale. Tucked away behind the grey buildings are the temples which have obviously received all the surplus wealth of the Thais for centuries. It will perhaps be enough to see the temples of the Golden Buddha, the five-and-a-half ton solid gold Buddha discovered only in 1955 caked in concrete, and of the reclining Buddha, leaving the remaining 398 in Bangkok for another time.

Serious sightseeing should be concentrated on the Grand Palace built just more than 200 years ago and a combination of Westminster Abbey and the Tower of London. This is where the kings lived and the nation worshipped. Walled and covering one square mile, it is an overwhelming mass of visual images—gold leaf and coloured stones, gilded tiles and Italian mosaics, gaudy and ostentatious, a confection made of hundreds and thousands. Too rich for Western taste, perhaps, but redeemed by the obvious power it has over Thais, especially in the Temple of the Emerald Buddha (actually made of Jade), the Holy of Holies, where bells tinkle in the breeze and the tourist sits shoeless and awed, careful not to point feet (the ultimate insult) at the 70 cm- high figure, which cannot be photographed.

The Grand Palace becomes more comprehensible when you move away from the vast good demons and pagodas (said to contain relics of the Lord Buddha) and into the living accommodation, built when the Thai kings were much influenced by Victorian England; the solid lamp-posts, supplied by W. T. Allen & Co of Upper Thames Street, still remain in the courtyards.

Bangkok is, geographically, an impossible city for the tourist to get to grips with so its best to take a "tuktuk," an unsteady but exhilarating three-wheeled scooter, fixing the fare with the driver, usually around 40 baht, before getting on. Other transportation which should be tried is the "dragon tail" speed boat which shoots up and down the river. An early morning trip along the canals to Watsai market, half an hour's spray splattered journey from the centre, is exciting and economic (around 160 baht a head). This market is not too tourist-ridden and at 7.30 you can mingle with the locals and pick over pineapples and peppers, cauliflowers and cumin, every fruit, vegetable, and spice you ever knew and some you didn't.

Another "must" in Bangkok is a boat trip up river to the palace at Bang Pa-in, an intriguing mixture of Thai, 18th century French and Victorian English architecture, with voracious carp in the lakes, rose gardens, and a touching memorial to a royal concubine and her children who drowned because servants were not allowed to touch such notables. It was erected by the Crown Prince pupil of the English governess Anna (played by Deborah Kerr), although the film "The King and I," like the song "One night in Bangkok," are banned in Thailand).

Not far from Bang Pa-in, Thai history goes back over 600 years at the ruined Ayutthaya, the old capital before it was rased by the Burmese in the 18th century. The towering pagodas, scorched and desolate, built to receive the ashes of a king, are a useful reminder of the strangeness and antiquity of the country. The nearby market and the temple where, after offering gold leaf, a lotus flower and rice you can scatter the sticks which tell your fortune, have only changed over the centuries in the proliferation of western consumer goods (often made in Taiwan and sold at prices below those of Hong Kong).

You cannot make the most of Bankok if you play the tourist, going on organised trips and eating in the hotels. The place gives away little; the best secrets are discovered off the main streets which have recently been built in attempt to cope with the traffic chaos. The hotels are particularly anaemic over Thai food—it is invariably watered down for western palates. So after getting to bed early following a quick dip into Patphong, rise at dawn for the roller-coaster ride to Watsai market, and a mind improving tour of the Grand Palace then take a tuktuk to Sorndaeng restaurant in Rajprasong Centre. I can recommend the steamed serpent head and the infloresence of banana salad.

Antony Thorncroft

Two thin tyres replace a single low profile tyre on this Jaguar X-JS. They defeat the aquaplaning problem and ride comfort is unaffected

Twin solution ends aquaplaning

HOW MANY tyres should a really high-performance car have on each wheel—one or two?

Conventional wisdom is that while twin tyres are fine for heavy lorries, one is all right for a car, providing it is wide enough to put the power on the road and grip during cornering. But Jerry Juhan, of Geneva, begs to differ. He says the way to make fast cars safer, especially in wet weather, is to replace a fat tyre with two thin ones, mounted side by side and with a gap in betwen them wide enough to push your hand into.

The reasoning is quite simple. Fat tyres aquaplane with embarrassing ease when there is a few millimetres of surface water and that can lead to loss of control and possibly to disaster. If you put a big enough drainage channel down the middle of the fat tyre's tread, it is going to look like two thin ones mounted side by side. So why not have two thin ones anyway and get the benefits of two air chambers?

It would allow the spare tyre to be dispensed with because if one tyre punctured, the car could be driven on the other one providing, of course, that its inflation pressure was increased to let it carry double the load.

When Juhan unveiled his concept rather more than two years ago at Frankfurt Show, it attracted more scepticism than support. But he persisted, using narrow section V-rated (over 130 mph) tyres made for him by Goodyear.

He and Goodyear found they could get along together and his tyres are now being made for him in England by Avon, the independent producer which also supplies original equipment to Rolls-Royce, Bentley and Aston Martin.

The concept is really taking off among owners of high performance cars if not yet to any great extent among their manufacturers. But at least it has progressed from the development stage to one of industrial production.

Avon is now turning out 1,400 narrow tyres for twin fitment each month—enough to fit 175 cars. Each car needs eight tyres, not 10, because there is no spare. Output will soon reach 6,000 tyres monthly and both Avon and Juhan are confident of a total production of 500,000 tyres in 1987. And that, they say, will still be below world demand.

So far, JJD (Jerry Juhan Developments) twin tyre/wheel units have been fitted almost exclusively post-purchase by owners wishing to eliminate the danger of aquaplaning. And, no doubt, to make their cars look different.

Mainly, they are going on to cars in the Jaguar, Porsche, Ferrari, Mercedes and BMW class which would normally have single tyres of anything from 70 series (the Jaguar) to as low as 45 series (Porsche). The lower the series number, the fatter the tyre, because the number indicates the percentage of section height (from rim to tread) compared with the tyre's width.

The benefits of twin tyres in defeating aquaplaning are beyond argument. Audi, which has been conducting tests of the twin tyres and is nearer to using them as original equipment than most other makers, is enthusiastic about this aspect. "A normal 60 series tyre will start to aquaplane in 6 mm of water at 90 km/h (56 mph) but a set of JJD twins will not lift until you are going at 140 km/h (88 mph)," an Audi engineer told me earlier this year.

I have driven cars on the twin tyres several times on private tracks and public roads. On a car without power assistance they can make the steering heavy at low speeds, but they seem, if anything, to improve cornering capabilities on wet or dry roads.

At Geneva, I tried Juhan's Jaguar XJ-S V12 on twins and found that its legendary ride comfort and lack of road noise were unimpaired. Future plans of Juhan and Avon include combinations of slick and patterned tyres on the same wheel, and also winter tyres.

The car makers and tyre manufacturers have reservations about the JJD concept. Obviously, the tyre/wheel units will be more expensive, but a car will need only four of them, which tends to overcome both price and weight penalties.

The main objections are what the tyre makers call "kissing sidewalls"—they rub together as the tyres flex and this could, it is said, lead to abrasive damage—and the legal situation if one tyre deflates. Providing the driver knows one tyre has gone down and doubles the pressure in the remaining one, the drive-on distance can be measured in thousands of miles, not a hundred or so.

But if the driver does not know he has lost a tyre and continues until the overloaded survivor blows out, who will be to blame for the accident that might resul? On the basis of law suits in the US, it would inevitably be the tyre maker, car maker or both—or so the industry believes. That being so, they insist that the twin tyres are only safe to use on a car if it is fitted with a deflation detector that warns the driver when a tyre has punctured.

There are such systems, but they are exepensive—about the same price as a good car radio—and not yet commercially available. So far as the "kissing" problem is concerned, Juhan says it is nothing to be concerned about though the tyre and car makers are not so sure.

The twins have passed many performance and endurance tests, conducted by independent institutes in Germany and elsewhere, with flying colours. They are on sale now for cars as diverse as the VW Golf GTi to the Mercedes-Benz 500, Ferrari Testarossa to Opel Senator.

If you are interested, call Juhan at Geneva 32 72 20 or write to his UK representative, John Pickwick, at 12a Maddox Street, London, W1R 9PL. They would make your high-performance car easier and safer to drive fast in pouring rain and would arouse a lot of interest when you parked it on full lock in the High Street.

Stuart Marshall

Elegance in the shadow of Eros

FEW PLACES in London can boast a swimming pool that could grace an Esther Williams film-set. The 12-metre pool at the New Piccadilly, a few yards away from Piccadilly Circus, can make such a claim. Blue and gold painted balustrades, tastefully draped naiads, odourless water, elegant chaises longues and a library to relax in after exertion set the tone in London's most expensively refurbished hotel.

The actual re-opening last August was not a gala event. The hotels' then owner, Arthur Bell, the Scotch whisky distillers, was at that time locked into a bloody but ultimately unsuccessful, battle against a takeover by Guinness, the brewers.

The hotel, part of the five-hotel Gleneagles group which includes the five star Gleneagles Hotel, had caused Arthur Bell considerable financial embarrassment: a protracted 10 months closure with costs rising to more than £14m. The opening, in fact, provoked more a sigh of relief than a glow of glory for its owner.

The drawing room of The Gleneagles Club, New Piccadilly Hotel

Eight months on, the management of the Piccadilly—now owned by Guinness—is bullish about the prospects for the 310-bed hotel. As yet without a star listing, but destined for five stars, the Piccadilly nestles in the middle-price range of London's 17 five-star hotels with a minimum price of £125 a night.

It is the pool and its accessories, gracing a space that once housed a masonic lodge that gives the hotel an unique selling point in a city where hotels such as the Ritz boast an unblemished pedigree and others, such as the Hyatt Carlton Tower, sparkle with a bland mid-Atlantic opulence.

No other hotel in London other than the Piccadilly offers such a range of leisure facilities: whirlpool, solarium, body building equipment, glass backed squash courts, billiards room and night club.

The pampering on offer is packaged as a club—with all the aura of an exclusive London gentleman's den. The facilities come free to guests but cost more than £900 to non-guests, who are discreetly vetted. There will be a recovery of equity within three years if the hotel gets around 1,500 paying members; at present there are 900. Many of these are drawn from London's prospering public relations, media and lawyer classes.

"My office is just two minutes walk away and the club has all the facilities I need," says Patricia Bloomfield, a director of a marketing consultancy, nestling on a tasteful pink sofa in the drawing room after her lunch-time work-out. "I thought at first it was expensive but one has to take account of the convenience factor. The club is clean and the service is superb. I don't come in the evenings to the night club however, as the atmosphere has not really built up yet."

Just as the plump cushions on the sofas are still uncreased, so the hotel has yet to develop its lines of character. This takes time, notwithstanding the elaborate efforts by consultants and interior designers to recreate the hotel's Edwardian heritage. At present, the "atmosphere" has to be stage-managed.

"We are primarily after the business market," says Peter Tyrie, managing director of the Gleneagles group of hotels. "We welcome fully-inclusive holiday tours but we will not take large holiday parties. We do not want people moving en bloc from one area to another. It would destroy the ambiance. People come here to be individuals and to be recognised as such."

Certainly many of the guests lounging in the public areas have the aura of expensive middle-aged America. The hotel feels itself to be on this international circuit. it is included in prestigious travel agents' brochures like Abercrombie and Kent's The Country Houses of Britain and Ireland.

According to Mr Tyrie room occupancy rates are good, with the hotel on course to achieve an above average for Central London in its first full year of trading. It is too early to judge, he says, whether or not the hotel is successfully holding its guests for dinner in an area where Soho is just a few minutes' walk away.

Certainly there is a restaurant in the hotel for every mood including the lighthearted Terrace Garden restaurant with its glass, barrel-vaulted ceiling.

"The idea, developing from the club through to the restaurants and shops, is to hold the guest within the property," says Mr Tyrie. Given the hotel's location, it is a tough objective.

Tucked away on a separate floor a suite of conference facilities with a total square footage of 30,000 feet. Again, it is too early to say whether or not this is succeeding in attracting London's burgeoning ranks of conference goers, but the rooms are as attractive as the best on offer.

"This hotel will make more money than any other in the group," says Mr Tyrie. He admits there is a strong financial incentive for the management to perform: a complicated 125-year leasing arrangement demands that some 60 per cent of profits — after management charges and capital depreciation — be paid to the Kuwait Investment Office, which acquired the lease in 1983 in a deal with the Gleneagles group.

The New Piccadilly is very much Mr Tyrie's baby: its acquisition is part of his strategy to give the Gleneagles group a London flagship from which he hopes to establish a small international chain of hotels. Just how Guinness intends to develop the group is yet to be seen now Tyrie has announced that he is to become managing director of the Far Eastern Mandarin group of Oriental hotels.

Lisa Wood

Legal Notices

No. 001437 of 1986
IN THE HIGH COURT OF JUSTICE
Chancery Division in the Matter of HOGG ROBINSON GROUP PUBLIC LIMITED COMPANY
and in the Matter of the Companies Act 1985

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice, Chancery Division, dated 17th March 1986 confirming the cancellation of the Share Premium Account of £23,902,953 of the above-named Company was registered by the Registrar of Companies.
Dated this 1st day of April 1986.
CLIFFORD-TURNER
Blackfriars House,
19 New Bridge Street,
London EC4V 6BY.
Solicitors for the abovenamed Company.

No. 00276 of 1986
IN THE HIGH COURT OF JUSTICE
Chancery Division in the Matter of ARLEN PLC
and in the Matter of the Companies Act 1985

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice, Chancery Division, dated 17th March 1986 confirming the cancellation of the Share Premium Account of £879,043 and the reduction of capital from £1,750,000 to £1,400,000 of the abovenamed Company was registered by the Registrar of Companies on 20th March 1986.
CLIFFORD-TURNER
Blackfriars House,
19 New Bridge Street,
London EC4V 6BY.
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Her Majesty's Stationery Office

Pen-pushing by appointment

RED TAPE has never been red, it has always been pink. No one knows why it got called red—possibly according to the same perverse logic which dubs red hunting coats pink. But it is oddly satisfying to know that the people who officially started to supply government departments with the stuff which Dickens made into a bureaucratic metaphor are still doing it 200 years later; it is still used to bind loose official documents.

Until His Majesty's Stationery Office came into being on April 5 1786, the supply of "paper, pens, ink, wax, sand, tape, penknives, scissors, parchment and a variety of other articles to the Exchequer, Treasury and their offices" was the perquisite of a certain Usher of the Exchequer. It was also his job to make sure that the Exchequer gate was shut every evening.

The Usher was not the cap-touching sentinel of the hall lobby. The job was a lavish sinecure last held by Horace Walpole, who some said made £5,000 a year out of it. Prompted by a Treasury official called John Mayor, William Pitt decided that this would not do, and HMSO began its career with Mayor at the head of a chief clerk, four clerks, three journeymen, six porters, two carmen, three horses, a farrier and "incidental expences (sic) including necessary woman." Now there are 3,400 staff doing business worth £300m a year with all government departments.

Pitt's aim was to cut costs and eliminate corruption. HMSO would procure all the "stationary"—items that stayed on the desk — that Exchequer offices needed, at the best price, with no profit motive, and with salaries paid by the Treasury. Even so, in 1823 the Comptroller was investigated for showing favouritism over contracts. He was so overcome by the ordeal he suffered apoplexy and died.

The equipment they supplied was not always the best. On William IV's accession in 1830, Creevey wrote to his stepdaughter that a Privy Counsellor friend of his had just come from the palace, where "the only observation he heard from the Sovereign was upon his going to write his name upon parchment, when he said: 'You have damned bad pens here'."

HMSO grew and prospered, however, often because of its cost-cutting efficiency. But though his predecessors as Comptroller had fought for years for a pay rise, it was not until 1838 that John McCulloch improved on Mayor's £600 salary, by £200. He did it by petitioning for increments for his staff (by now numbering 44), "but preferred no petition to his own income," his friend John Murray recorded. McCulloch subsequently received two silver claret decanters from a grateful staff.

It was not a hard job. John Murray reckoned that McCulloch had to give it his attention "not perhaps averaging an hour or at most two hours a day, often not five minutes." With it came an elegant residence overlooking St James's Park which also served as the office, plus "coal and candle."

What luxury he lived in has never been revealed, but if a surviving hand-written scrap of about the time is anything to go by, he was a man of catholic tastes. "Articles Required for the New Room, Mr Cuthbertson (HMSO)" is a list including: 1 Piano (Broadwood preferred); 1 Trombone; 1 copy Hallelujah Chorus; 1 tuning fork; 1 quire Music Paper; 1 Liqueur Stand; 1 Claret Jug; 1 Grog Kettle; 1 Soucepan (for Beans); 1 Potato Steamer; 1 Copy Beeton's Cookery Book; 1 Asthma Kettle; 1 Dressing Case Fitted; 1 Tooth Brush (secondhand, if new not allowed)."

In 1841, several messengers were caught and sentenced for selling waste paper. Under the guise of a need for security, McCullogh decreed that in future "waste paper and old articles of stationery of every kind must be collected and delivered to the Comptroller of the Stationery Office . . . to be sold by him on behalf of the public." In a decade the sale of waste was worth £13,400 — equivalent to the pay of the Comptroller, Assistant Comptroller and the senior staffs of the Stationery Office in both England and Ireland.

Between 1881 and 1887, 10,000 tons of waste paper accumulated in parliamentary offices. To render it illegible and secure it was sent to prisons to be torn up by prisoners, who could presumably be trusted to be illiterate. The Home Office objected to the practice as "improper" and in 1885 HMSO took on 52 girls for £1,200 a year as shredders; the sale of the resultant scraps earned £11,300 a year.

That was during the reign of Thomas Digby Pigott whose appointment caused questions in the House: his father was a friend of the Prime Minister, Disraeli (by then Lord Beaconsfield). Digby Pigott's resignation was demanded; Disraeli replied that he did not know the man and, even if he did, he thought he had voted against him at the last election. Digby Pigott later became Sir Thomas and held office for 28 years.

By 1876 the Comptroller had received a number of requests for Christopher Latham Scholes' invention, the typewriter. Having taken advice from several people who had tried them, he did not think they had much practical value. (The Post Office was no quicker on the up-take. In 1879 a Colonel Reynolds called on the engineer-in-chief, R. S. Culley introduced himself as the London representative of Alexander Graham Bell and offered a demonstration of Bell's new invention. Culley declined; he thought the telephone's possibilities "very limited.")

When they were accepted, typewriters caused a considerable social problem in the all-male HMSO, for they were operated by women. Two typewriters were bought, the typists had to arrive 15 minutes later and leave 15 minutes earlier than the others and since the Controller (as he was by 1902) only came in on Mondays and Saturdays they had the key to his lavatory on the other days. Fascinated staff could get a chit to their room to watch them working their machines but this had to be returned in a matter of minutes. Only a select few were allowed to use the telephone—notes were sent by messenger for years to come.

HMSO could be inventive. Sir Frederick Atterbury, Controller from 1913 to 1919, recorded: "Shortly before midnight on Saturday 1 August 1914, I was asked by the Treasury when I could arrange for an issue of one-pound Treasury notes within a week of that date." Legend has it that Atterbury drew the first pound note in his living room there and then, gave it to Waterlow Brothers to print on stamp paper the next day, and by the Friday four million £1 notes were in the hands of the bankers.

Her Majesty's Stationery Office: The story of the first 200 years 1786-1986, by Hugh Barty-King is published by HMSO, price £5.

Simon Tait

Gardening

Green and lovely national assets

WE MAY no longer be world manufacturing leaders but we have no need to apologise for our ability to make beautiful gardens. Visitors from the rest of the world have a choice of several thousands covering almost every imaginable style and scale of garden making. We also produce the best annually revised guides to these gardens.

The two most comprehensive guides could scarcely be more different in origin and presentation. "Gardens of England and Wales Open to the Public" is published by a charitable organisation, the National Gardens Scheme, 57 Lower Belgrave Street, London, SW. This is concerned solely with gardens that are opened for charity, many of them on only one afternoon a year, a rare opportunity to peep into gardens that would not otherwise be exposed to public view. By contrast "Historic Houses, Castles and Gardens" is produced by British Leisure Publications and is concerned with gardens and properties open as tourist attractions, usually for profit, though some do also open for charity on certain days.

Presentation is also very different. "Gardens Open to the Public," which costs £1.00 (or £1.40 direct from the charity) makes little attempt to be glamorous but contains a great deal of information which is of interest to garden lovers. "Historic Houses, Castles and Gardens" costs £2.95, is bigger, glossier and its horticultural information is much sketchier. It is intended for the general tourist rather than the specialist. Both books are widely available from bookshops and newsagents and, though they overlap a little, I find both indispensable.

There is nc Gardeners' Sunday guide this year as that charity has combined with the National Gardens Scheme which in future will be contributing to the two gardening charities, the Gardeners' Royal Benevolent Society, which looks after the elderly, and the Royal Gardeners' Orphan Fund which cares for the young. From my early study of the "Yellow Book" it would appear that nearly all the garden owners who might have been expected to support Gardeners' Sunday have approved the organisational and financial advantages of the merger and so the "Yellow Book" is bigger than ever with well over 2,000 gardens. For potential visitors it is certainly very convenient to find all the information about these mainly privately-owned gardens in one book.

The comparable list of gardens opening for charity in Scotland is "Scotland's Gardens," which costs 90p at bookshops etc, or £1.30 direct from Scotland's Garden Scheme, 31, Castle Terrace, Edinburgh. The presentation is a little glossier and there is a map showing the distribution of the gardens, but the text is much like that of "Gardens of England and Wales."

Though these three are the absolutely indispensable guides I would not be without the National Trust's "Properties Open" booklet which costs only 50p (or 80p direct from NT headquarters, 38, Queen Anne's Gate, London SW1), because it contains a lot of additional information about both gardens and houses.

To give an idea of the variety and excellence of the gardens that can be visited in Britain this year, here are a few that I happen to have seen and enjoyed recently.

Greencombe is in Somerset, near Porlock, where Exmoor sweeps down to the sea. Forests have grown here for centuries and the Greencombe garden is mainly made in woodland. It is filled with fine plants splendidly organised in an apparently natural way but with a very high standard of maintenance. Greencombe is very beautiful, entirely the creation of the gifted Miss Joan Lorraine, and can be seen on April 27 and again on June 28.

In total contrast, except that it also owes much to a lady, the Hon Mrs Smith-Ryland, is Sherbourne Park a few miles south of Warwick. This is a garden of many interlocking parts, some made around a fine old mansion, some beside the splendid Gilbert Scott village church with its unusually high steeple. Even the swimming pool has been completely integrated into the design and is bowered in roses in summer.

At Cottesbrooke Manor in Northamptonshire visitors will see how a garden can develop over several centuries, gradually increasing in complexity and beauty. Here will be found two walled kitchen gardens, each an acre; landscapes three miles north and south; and a whole series of walled enclosures and terraces filled with flowers, beautifully arranged and as lovingly tended today as at any time in the garden's long history.

Another garden in which enclosures are a central feature can be seen at the Postern, almost within sight of Tonbridge in Kent yet so buried in the country that one could pass the narrow lane leading to it a thousand times without knowing it existed. Here the design is by a contemporary landscape architect, Anthony du Gard Pasley, and it is interesting to note the differences between the professional and the amateur approach. It is a varied and very fine garden.

Heale House in Wiltshire is not far from the main Salisbury to Amesbury road yet also so hidden away that the directions in the "Yellow Book" must be followed closely to be sure of finding it. What awaits the visitor is a delightful stone house in which Charles II hid after the battle of Worcester, the loveliest Japanese tea house in Britain, and a garden that has known several famous designers yet owes its present beauty to the skilful eye and unremitting care of the present owner Lady Anne Rasch. Not long ago it won a prize as the best garden in England.

Arthur Hellyer

Collecting

A magpie's hoard of gadgetry

COPYING machines are nothing new. Back in the early 1800's there was a version that produced several copies of a document or drawing at the same time.

Writing machine designed by Brunel in "The Gentleman Collector" exhibition at Burghley House, Stamford, Lincolnshire.

A writing machine was invented by Sir Marc Isambard Brunel, the civil engineer who built the first tunnel under the Thames at Rotherbithe.

To save taking a clerk with him on his travels he thought up the idea of a writing box operated by a system of two quills. They were joined together by a series of levers so that the handwriting is exactly reproduced, even to the extent of dipping the nibs in ink and shaking off the surplus. It was patented in 1799.

This is just one of the significant collection of scientific machines and related gadgets made by Henry Cecil, the 10th Earl and 1st Marquess of Exeter who lived in Burghley House from 1793 to his death in 1809. A magpie-collector, he was always keen to keep up with the latest gadgetry.

You can see some of it in "The Gentleman Collector" exhibition at Burghley House, Stamford, Lincolnshire, until October 5.

The objects were assembled by Sotheby's Jon Baddeley. He discovered them, often in pieces which had to be cleaned, restored and identified, in such unlikely places as the dark nurseries, the courtyard barn, and one of the tower storage rooms. Some items were still in their original cases.

But a four-inch refracting brass telescope made *circa* 1840 by John Murrell had its top in the cellar, its mount in the attic.

The operator's hand tools and chucks were finally re-united with the early 19th century treadle-operated ornamental turning lathe. Long a popular hobby at court, enthusiasts were Tsar Peter I and King Louis XVI. Queen Victoria gave a similar Holtzapffel lathe as a present in 1886 to Archduke Otto of Hapsburg.

Other curiosities are a selenograph, a lunar globe patented by John Russell to make accurate drawings of the moon.

A double-barrelled air pump used in various pneumatic experiments was made by George Adams and recorded as bought for £37 in 1795.

It was not established whether the Earl ever tried out Edward Nairne's electrostatic generator which administered shocks believed to be beneficial to one's health. It was more likely that he relied on the more traditional mahogany medicine chest. It is displayed complete with 25 medical compounds in glass bottles, together with mortar, pestle and pill pots.

Even the modest collector of gadgets can relate to the exhibition. Although examples of Brunel's writing machine are rare and costly—one fetched £10,000 at auction in Paris in December—other types of early copying machines turn up at auction in the £100 to £150 range. Jon Baddeley recommends looking for late Victorian office pieces—even early Rank Xerox's.

Telescopes, which received a boost through Halley's Comet, start at about £300 to £400 according to their sensitivity and utility. Spy-glasses, depending on their decoration, cost a little less.

Library terrestrial and celestial globes, another Cecil favourite, can go up to £1,500 or £2,000 and more, depending on whether the print is rubbed or missing on the globe, and the quality and ornateness of their stands.

June Field

Saleroom

Treasure trove

MONA BISMARK liked jewels. In the daytime it was large pearls; for evening fear she favoured diamonds, sometimes switching to a chain of emeralds or a parure of rubies. She only occasionally slipped off her jewels, to indulge her other passion, floating out to sea. The Mediterranean, of course.

Bismark was the name of one of her six husbands, but he was her grandest conquest, a scion of the Prussian noble house. She had once been Mona Strader of Nashville, Kentucky. She died in 1983 and the jewels that graced her salons in Paris, the Riviera and Capri come under the hammer at Sotheby's in Geneva on May 13.

The 41 lots contain some very grand items, including a diamond ring by Cartier, with a stone weighing 31.77 carats, which according to David Bennett of Sotheby's jewellery department, is "potentially flawless." Mona Bismark would not have liked the implied criticism. Perhaps the stone was flawless when she received it in the late 1930s and only wear and tear has marked its surface. Still, a craftsman can erase the imperfections, with the loss of very little weight, and the ring could then be worth even more than the $700,000 that Sotheby's anticipates.

Her other jewels are an interesting mix of the (fairly) modern and the antique. In recent years antique jewellery has returned to favour, and an early 19th century festoon necklace, dripping with diamonds, could exceed its $75,000 estimate. Mona Bismark was most fond of her pearls, but these are currently the most unpredictable sector of the jewels market. Even so, a two-row necklace with a diamond clasp could approach $100,000. All the jewels hark back to a dead era, when there was little shame in being ostentatiously rich. They should be snapped up by more discreet hoarders.

Sotheby's needs a good headline-snatching auction of jewels, because this has been a troublesome market in recent years. This is particularly true of the main investment sector, diamonds. There was a mad rush into diamonds in the late 1970s when they became a rich man's commodity market. Prices peaked in 1980 and have since fallen back to the levels of the mid 1970s. A one carat "D" flawless grade diamond might have sold for $70,000 in 1980: the same stone could be worth $10,000 today.

With De Beers' traditional influence over the market undermined by increased Russian and Australian production there is little expectation of diamond prices rising rapidly. But the worst could be over; there has been stronger demand this season for coloured diamonds as well as for the large and the flawless.

Other jewels did not suffer from the same speculative interest although the overthrow of the Shah hit the emerald market hard. Basically, rubies from Burma are rare and almost beyond price, while rubies from Thailand and Sri Lanka raise much less interest. Top quality sapphires from Kashmir, Burma and Sri Lanka, have an edge on the stones from Thailand and Australia, and, in every sector, large stones of good quality are the only ones worth considering.

But while jewels have been unpredictable, "collectors'" pieces, in which the stones have been built up into works of art, have been gaining steadily in favour. At first it was art nouveau and art deco jewellery but now Victorian jewellery has become very fashionable as art historians burrow away, isolating certain makers and calling them masters.

The dispersal of the jeweller John Sheldon's personal collection last year established records for the Giuliano family, and workmanship, rather than the intrinsic value of the stones, has become paramount. The human touch has returned to the collecting of jewels. It should extend to Mona Bismark's chokers and pendants, bracelets and ear rings. Jewels for personal decoration are back in favour: jewels as uncut stones in safe deposit boxes languish unloved.

Antony Thorncroft

When you get that old feeling . . .

MIRIAM Schonling thought until she was 56 that she was a healthy woman. She was careful about her diet and thought she was getting enough exercise. Like most people, she put odd aches and pains down to the ageing process.

Her only problem was sensitive gums, which she mentioned to her dentist. He advised her to consult her GP at once. Miriam was suffering from the potentially crippling condition, osteoporosis. Ironically, her "healthy" lifestyle may have contributed to its onset.

Lack of dietary calcium is thought to be a major factor in the development of osteoporosis. Most of us in western society are unaware that it is almost impossible to achieve the minimum daily intake of calcium necessary for health. Slimming diets high or low in protein, and high fibre diets, are all implicated. Few women over the age of 14 absorb enough calcium. The result, after many years, may be osteoporosis.

Essential for the health of bones and teeth, calcium also plays its part in heartbeat, blood clotting, and the nervous system. If there is insufficient calcium in the food we eat, our bodies take the calcium from our bones, which as a consequence become weaker and more brittle.

The signs of osteoporosis are most commonly seen in older women. This group is more prone to broken bones, particularly hip and leg fractures, and a stoop—the classic "dowager's hump"—caused by spine deformity. Osteoporosis also causes loss of height creating a "little old lady" look.

Osteoporosis is sometimes treated by hormone replacement since the reduction in protective female hormones after the menopause has some influence on the condition. But new evidence indicates that osteoporosis may begin to develop much earlier, even in teenage, in both men and women.

Miriam's condition is considered quite advanced. There are probably thousands of middle-aged women in whom similar signs have gone unrecognised. Miriam was fortunate that hers were spotted by an astute dentist.

"Even then," she says, "the sort of treatment you get depends entirely on the views of the specialist you're referred to."

In America, where an estimated 55,000 women die annually as a result of broken limbs caused by osteoporosis, calcium supplements are taken regularly by many women. In the UK we would be wise not to regard this as a craze: the cost of osteoporosis in treatment alone runs into millions of pounds each year. Because osteoporosis may still be regarded as a normal aspect of ageing, the costs in misery, disability and premature death are impossible to calculate.

The diet we recognise as healthy—low in fat, high in fibre—does sacrifice some calcium. Calcium-rich meat and dairy products, high in saturated fat, increase the risk of heart disease, high blood pressure, strokes and bowel disorders. High fibre foods such as whole grains and green leafy vegetables contain calcium, but also contain substances which prevent its absorption.

Miriam Schonling is slightly bitter that her attention to contemporary advice about diet may have resulted in her condition. "We're told not to eat all the things that contain calcium," she complains. "But breaking a leg, if you're an old lady, can be a death sentence." Though weight-bearing exercise helps to prevent the development of osteoporosis, fear has restricted her activity. "I used to run for buses. Now I worry and take things very steadily in case I fall over."

She has regular X-rays to identify which of her bones are most affected, and tests each year to determine the rate of bone loss. She takes daily calcium supplements to slow down the progress of osteoporosis. But calcium supplements alone have relatively little value compared with supplements which combine calcium, vitamins and minerals. A recent American study showed an improvement in bone density two to three times greater than that achieved with calcium supplements alone.

Most doctors prescribe simple calcium supplements, rather than the combined variety—that is, if they bother to treat the condition or even recognise it. Relatively few expectant mothers are advised to take calcium supplements, even though the body's need for it is increased during periods of stress such as pregnancy.

Miriam believes that advice about the prevention of osteoporosis should be widely available to enable more people to take responsibility for this important aspect of their health.

AVOIDING OSTEOPOROSIS

* Get plenty of weight-bearing exercise
* Avoid alcohol and fizzy drinks as much as possible: they inhibit calcium absorption.
* Be sure to eat some meat and dairy products if you are pregnant.
* Take a combined calcium supplement every day if you have a sedentary lifestyle
* Consult your doctor if you are postmenopausal and suffer from backache, weak ankles or gum disorders
* Ask your doctor whether any drugs you are taking can inhibit calcium absorption, or whether you have a condition which may prevent use of calcium supplement
* Don't smoke
* Don't drink more than three cups of coffee a day
* Don't lie in bed or sunbathe too often
* Don't go on crash diets

Cate Campbell

هكذا من الأصل

The latest fringe benefits

HOW TO SPEND IT

Lucia van der Post

THERE is no easier way to look dated and dowdier than your years than by never changing your hairstyle. A few classic beauties could get away with *anything* but most of us need all the help we can get. That help has never been more sophisticated or more widely available than today.

Today, health and shine is what the best hairdressing is all about. Primping locks into strange, unnatural shapes is very much looked down upon. Most of the best salons expend at least as much effort on conditioning and putting right the sort of disasters that befall the average head from time to time as upon the finished cut and blow-dry.

If you want a new look this spring you could hardly choose a better time. There is a stronger, sharper look about than has been visible for some time but the faint-hearted shouldn't take fright—there are several styles, encompassing both long and short hair, that seem to sum up the mood and moment of spring '86.

Short, sharp and boyish is perhaps the most adventurous. However, it is much more feminine than it sounds because there is very little layering and the topmost layers are kept long, giving a thick, full effect. Fringes are very much in evidence and either cut a rich swathe across the face or are feathered for a wispy look.

Those who are not old enough to have experienced Sixties fashions first-hand are busy experimenting with them now. The Shrimpton hair-do is back. Debbie Moore has had her newly straightened tresses cut into a Shrimpton look-alike and feels much more up-to-date than she did with her curly locks.

The basis of any good haircut, though, must be condition and many of the best-known salons have produced their own excellent ranges of shampoos and conditioners, gels and mousses (Daniel Galvin's Avocado Wax, Vidal Sassoon's Protein Pack, or John Freida's excellent range of shampoos are all worth looking out for).

If your hair is more seriously damaged, probably because of tinting, perming or both, then you need professional help. Schumi of 16, Pont St, London, SW1, has started a special consultation service to deal with what Gregor Schumi calls "disasters." You will need to make an appointment—the service is available from Monday to Friday from 10 to 11 am.

Those with long hair should remember that Harrods runs a special Long Hair Clinic. Its special conditioning treatment costs about £30 but it also offers all sorts of other advice.

AS SOMEONE who spent most of her childhood longing to have curls just like my best friend, I find it hard to believe that there are people blessed from birth with natural gentle curls who can't wait to go straight. But there are. Lots of them, according to Andrew Lockyer, who runs his own salon at 63 Paddington Street, London W1 and has developed his patent templates which are used to turn all those kinks and bends into smooth, straight locks, as in the picture above.

The process is much the same as the one used to turn all those straight-haired lovelies into curly-headed moppets—what is new is the template which is almost like a rigid mould onto which the strands are flattened. Andrew Lockyer is busy patenting the new templates all over the world—apparently they are a wow in Japan which seems peculiar in the light of the wondrously thick straight hair that seems to come along with the Japanese gene. He has added a few extra potions of his own to ensure least damage of all to the hair and to add a little extra body.

A host of lovelies have already wended their way to Andrew Lockyer's salon, including Debbie Moore, she of Pineapple Studios fame, whom most of us remember as having the most beautiful long blonde curly tresses. Today she is quite transformed—she sports a chic blunt cut, though the hair is still long. She loves it. "I'm very into the Sixties look at the moment and this hair complements the Pineapple clothes perfectly. It's also terribly easy to manage. In the Sixties I used to have to iron my hair to get this look—now I just wash it and leave it to dry. It's also in marvellous condition and hasn't lost its shine or gloss as I feared it might."

The price for the perm varies between £36 and £46, depending on the length of hair and they can cope with almost any degree of curl.

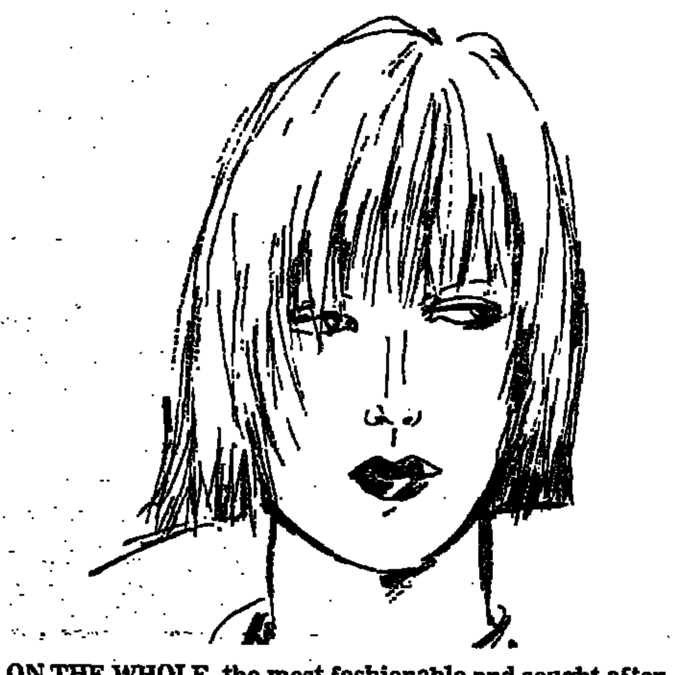
VIDAL SASSOON was one of the first crimpers who managed to make a chain seem chic. Nobody in her right mind going into one of the innumerable Sassoon salons thought she would be dealt with by the great man himself but she did feel that somthing of his style, his sense of cut and line, would rub off along the way.

He was one of the first of the new breed of hairdressers to realise that modern women wanted hair that looked like hair—not layers of rigidly set corrugated waves. Today that sounds very tame—then it was a minor revolution, causing almost every salon in the country to rethink its approach.

Today, the emphasis is still on healthy, shining, natural hair, and a good, balanced cut. The Vidal Sassoon range of products was partly developed in answer to the need for products with purer ingredients which did less damage to the hair (and partly, bien sur, to expand the empire, which it did very efficaciously).

Like much of the fashionable world Vidal Sassoon styles for the coming summer tend to have overtones of nostalgia for the Sixties. For men, there are styles slicked and held in place with the new gels—the hair is graduated at the sides and back but the hallmark of the looks are the long top layers. The matinée idol look, see photograph above, is also much in vogue.

For women there is much precision cutting, with the napes of the neck much in evidence and the look is either very short—or very long. To get some of the very precise shapes (like the cut the model wears in the centre picture) the underneath hair has been permed round the head to give extra height and the whole is then cut into this conical shape. The hair is cut very close to the skin around the hairline and then cut in longer layers towards the crown.



ON THE WHOLE, the most fashionable and sought-after salons are those identified with one (often intolerably bossy and big-headed) star stylist. A visit to these salons is usually doomed to disappointment—the great man himself is much too busy paying attention to his other starry clients (Sod's Law of Salons decrees that all other clients are always more important than you are) to pay any attention to your rather wistful remarks about *how nice it would be if he didn't cut it too short.*

For those who don't feel up to the task of capturing the frail attention of one of these *prima donnas*, it is probably best to go to a really reliable chain like Glemby. It doesn't aim for any heady pyrotechnics or promote any one stylist (though clients, of course, do get to know and seek out a sympathetic hand) but it does have a consistent standard of modern, fashionable work, carried out in the sort of soothing, unfrenetic atmosphere one seeks from a hairdresser.

It achieves this consistency by putting together a portfolio of current looks—they aren't rigid and they aren't imposed against a client's will but they do give an overall direction which is helpful both to the stylist and to the customer seeking guidance.

This spring, Glemby is homing in on "face-framing styles with lots of volume and fullness, but decidedly longer." (This, of course, leaves those of us who have just been shorn a little high and dry but 'twas ever thus.) It is a pretty and wearable look, with lots of airy wisps around the face. Fringes, you will be interested to learn, are essential—chopped into and deliberately jagged, ending at the eyebrow or shorter.

To make the cut look really contemporary it is blow-dried forward onto the face in a sweeping movement, giving the impression of lots of thick hair. There are some 80 Glemby salons throughout the country.

ATLAS Associates, *in a quiet and unpushy way*, has gradually become one of the most sought-after places *for a man to have a hair-cut. Newly transplanted from* its premises underneath Scott Crolla in Dover Sereet to the basement of the new Comme Des Garcons shop at 115 Fulham Road, it believes in giving its customers a sound, pleasing basic haircut that will suit their life-style and not make any loud fashion statements. Those who are wedded to Geo F. Trumper will not find it up their street—not so much because of the cutting (which as I have indicated is extremely unaggressive) but because of its very avant-garde setting, all Japanese minimalist architecture and interior fittings. However, if a really becoming cut is what you're after then you could hardly do better than one of its eminently agreeable and skilful stylists. A typical cut is photographed above.

MANY of the choicest heads I know are currently heading for Edmonds at 40 Beauchamp Place, London SW3. Paul and Liz Edmonds, who used to work for *Daniel Galvin and Neville Daniel, run it on fashionably* unisex lines and they cut and colour both men's and women's hair. Colour, as you might expect from a Daniel Galvin-trained staff, is a strong interest and they offer the usual highlights as well as a range of vegetable dyes (orangey colours as well as burgundy colourings for redheads are, they report, very much in demand). Vegetable dyes don't last as long as bleaches and harsher dyes (some six to eight weeks) but they are infinitely gentler on the hair and do not rob it of its shine.

Paul, too, offers two major looks this summer—longer hair that is straight, sleek and impeccably cut or short and very boyish. Fringes are full and heavy.

Cookery

Savour of fruitful partnerships

MEATS are often cooked and served with *flavourings* on which the animal might have fed during its lifetime. For example, salt marsh lamb is sometimes accompanied by a dish of laverbread, while mountain lamb is traditionally cooked with a little garlic and mint—herbs that grow wild on hilly grazing pastures.

The idea of serving venison with rowanberries, now as popular with Sassenachs as with Scots, clearly stems from the Highlands, where mountain ash or rowanberry thrive and the deer always seem to strip low-level branches of fruit and leaves with the systematic greed of high-powered hedge trimmers.

The notion of serving pork with apples probably began in the West Country, where pigs traditionally rooted in cider orchards in autumn and grew fat and sweet on windfall fruit.

Combinations of meat and fruit as good as pork and apples or venison and rowanberry have travelled way beyond the localities in which they started, to become national or even international favourites.

With time, perhaps, the origins of such fruitful associations become blurred or lost. Did the delicious combination of duck with Seville oranges originally have something to do with the birds grazing in citrus groves, I wonder? And could duck with morellos stem from some time and place where ducks spent happy days waddling round cherry orchards?

The partnerships of meats and fruits used in the recipes that follow come, so far as I am aware, from my own imagination—but perhaps they are based on some folk memory of local grazing practices of the past.

VEAL WITH GRAPES

This is a delicate and delicious dish when made with best-quality shin of veal. Peel the grapes for perfection, or simply halve and pip them. Serves 6.

6 x 2 inch thick slices of shin of veal; ½ oz unsalted butter; ¼ teaspoon each ground cinnamon, coriander and allspice; scant 1 pt white grape juice plus 1½ tablespoons white wine vinegar; 1 chicken stock cube; ¾ lb green grapes.

Choose a sauté pan or flameproof casserole that has a well-fitting lid and has a large enough surface area to take the slices of meat in a single layer—Le Creuset's buffet casserole is ideal. Heat it. Add the butter and, when it is foaming hot, colour the meat all over. Sprinkle on the spices and a generous grinding of pepper but no salt. Pour on the grape juice and vinegar and cook briskly for 10 minutes or so until the liquid is somewhat reduced.

Crumble the stock cube and stir it in. Reduce heat as low as possible, cover the casserole tightly and leave to cook very gently for about 1¼ hours until the veal is well cooked. Turn the slices of meat once during this time.

Uncover the casserole and continue cooking very gently for another 15-20 minutes until the meat is beautifully tender and the cooking liquor is reduced and well flavoured.

Season to taste with salt and pepper. Add the grapes. Shake the casserole so the fruit slithers and slides into the liquid in the gaps between the slices of meat. Cover and put the casserole in a low oven for 10 minutes or more before serving so the grapes warm through and soften slightly.

BRAMLEY RABBIT

Rabbit is low fat-meat and this is a simple and good way to cook it. I have used English hutch rabbit, as sold by Waitrose. Packs of shoulder portions are very reasonably priced and a good choice for cooking this way. Boneless leg fillets and back fillets (more costly, of course) are also available and could also be used. Serves 4-6.

1 rabbit, jointed, or about 1½ lb selected rabbit joints; 1 onion; 1 very large Bramley apple; ½ pt unsweetened apple juice; thyme or rosemary; salt and freshly ground black pepper.

Choose a flameproof casserole into which the rabbit joints will just fit snugly side by side. Chop the onion very finely and dust the rabbit joints with salt and pepper. Seal and colour the meat and onion, in batches, in ½ oz unsalted butter in a very hot frying pan. Transfer the contents of the pan to the casserole and scatter over them the peeled, cored and finely chopped apple.

"Wash out" the frying pan with the apple juice, stirring the pan base with a wooden spoon to scrape up meaty sediment as the liquid comes to the boil. Pour the apple juice into the casserole. Add a sprig of rosemary or thyme, cover and cook at 300 F (150 C, gas mark 2) until the rabbit is perfectly tender. 1½ hours is about right for hutch rabbit. Wild rabbit may need 2-2½ hours.

Lift out the rabbit, cover and keep hot. Discard the sprig of rosemary and place the casserole over moderate heat. Beat with a balloon whisk so the cooked apple disintegrates completely and dissolves into the liquid. Check and adjust seasoning to taste, then return the rabbit to the casserole for serving. Brown rice goes well with this or a gratin of potatoes (which could be cooked in the oven at the same time) and steamed French beans.

OXTAIL WITH PRUNES

This is a comforting dish for evenings when spring weather lacks the warmth one hopes for. A very useful dish to have stashed away in the freezer. Serves 6-7.

4 lb oxtail, cut into 2 inch pieces; 2 onions; 12-18 prunes; sunflower or safflower oil; dry cider and beef stock; mild curry powder or paste; bay, salt and pepper.

Trim as much fat as possible from the oxtail. Colour it all over in a flameproof casserole with a large surface area (Le Creuset's buffet casserole is ideal), that has been barely filmed with oil. Then colour the very finely chopped onions. Stir in ¾-1 teaspoon mild curry powder or paste, pour on ¾ pt dry cider and ½ pt beef stock and bring to the boil stirring. Return all the meat to the casserole and cook at a fast simmer for about 10 min, without a lid, until the liquid is somewhat reduced.

Add a large bay leaf, plenty of salt and pepper, cover the casserole and cook in the oven at 275-300F (140-150C) gas mark 1-2 for an hour and a half. Meanwhile soak the prunes in enough cider to cover them.

Turn the pieces of meat over, add the drained prunes to the casserole, pushing them well down into the liquid. Cover the casserole again and cook in the oven for a further 1½ hours or until the meat is tender and beginning to come away from the bones.

Cool and chill the casserole overnight, then scrape away and discard the layer of fat that will have solidified on the surface of the liquid.

To serve reheat gently but very thoroughly indeed, check the gravy for seasoning and simmer without a lid until the gravy is reduced to a good consistency. Lots of steamed, boiled or puréed potatoes go well with this dish, and a large crisp watercress salad.

Philippa Davenport

At home in the gilded sphere of Duff Cooper

Ambassador in Paris Duff Cooper with the French writer Louise de Vilmorin

DUFF COOPER: THE AUTHORISED BIOGRAPHY
by John Charmley. Weidenfeld and Nicolson. £12.95 256 pages

LORD NORWICH, Alfred Duff Cooper who was always known as Duff, cannot be regarded as a major political figure. He was certainly a major womaniser, drinker and gambler. So was his hero Charles James Fox. But Fox not only had the gifts of charm, wit and oratory, he also had ideas, magic, charisma. If he did little in his lifetime he left a posthumous glamour which coloured party politics for years after his death. Duff modelled himself on Fox and was certainly true to his hero's form in drinking heavily at Eton, falling into the arms of a French countess when learning the language in Tours at the age of 17, and playing *chemin de fer* for stakes far beyond his means at New College. But, although he made a brilliant and much acclaimed maiden speech, although he won the most famous by-election of the twentieth-century—Westminster in 1931—and, although he resigned in protest at the Munich agreement and seemed justified in retrospect, he was a political lightweight. Many a young Whig must have asked himself, "What would Fox have done?" One cannot imagine a young Conservative putting the same question about Duff. He did not have the magnetism to entrance a whole generation.

Of course very few people ever do and Mr Charmley in no way overstates Duff's claims. He has produced a very fair, balanced and candid biography. The book, well and wittily written, should make the name of this young historian from the University of East Anglia who appropriately lives in Norwich. He moves biographically with ease in the gilded, grand, raffish world of Duff and his friends. In these class-conscious days it is interesting to know that the author's mother worked as a girl at "t'mill" in Oldham where Duff first won his way into Parliament. If the author deserves congratulations, so do Duff's widow, the famous Lady Diana, his son, the present Lord Norwich and his nephew and literary executor, Sir Rupert Hart-Davis who owns Duff's diary which, one hopes, will some day be published. They have given Mr Charmley complete freedom to examine the papers and tell the story.

Duff's father was a fashionable consultant who specialised in bronchial and venereal ailments. He married — "above his station," as people used to say — the youngest daughter of an earl descended from William IV and Mrs Jordan. Duff himself went two up by marrying the youngest daughter of a duke. Their marriage was surely one of the strangest ever to have been documented. She was not greatly interested in sex. He was a sexual athlete and totally promiscuous within the accepted rules—expensive prostitutes and easy going wives with complaisant husbands. His first extra-marital affair occurred on their honeymoon in Venice in 1919. Most wives would have regarded this as a bit much, but Lady Diana put up with it and countless others. She remained as deeply devoted to him as he, in his way, was to her. He had an extraordinary flair with women and to the end got on admirably with his discarded mistresses as well as his wife.

The couple had very little money. He had blown his patrimony in gambling, and daughters of dukes were ill provided for. But it was she who made it possible for him to resign from the Foreign Office and enter Parliament, thanks to her earnings in America from her role in Reinhardt's touring production of *The Miracle*. How large these were Mr Charmley does not, perhaps cannot, say, though he is rightly interested in the subject — "One of the great unexplored areas of twentieth-century politics is how politicians financed their careers." Duff, let us face it, was almost unbelievably selfish. "Where she was eating macaroni cheese and persuading hoteliers to let her have her room free, Duff was dining off oysters and champagne at Buck's or flitting over to Paris for a weekend at the gaming tables and the whores."

Eventually their financial situation improved, but he did not feel comfortable until he secured the very large advance of £10,000 for his *Haig* published in 1935-36. It is nothing like as good a book as his *Talleyrand* which came out three years earlier and it had bad reviews but the money must have been some consolation. He was an elegant writer of prose and verse — as Mr Charmley says, "the only President of White's to have composed a sonnet in an hour on the premises to win a prize in a *Spectator* literary competition." It hangs appropriately near the bar under his portrait. In prose his one novel, *Operation Heartbreak* and his autobiography, *Old Men Forget*, are memorable books.

He was not a success in politics. He never had the rapport with the House of a Lloyd George or a Baldwin, and he had the reputation of being lazy. For many years after the war, indeed till quite recently, most people would have said that he was right as Secretary for War to press for a continental expeditionary force and right to resign over Munich. There has, however, been something of a change of outlook recently. Neville Chamberlain does not seem quite as wrong as he once did, and the dilemma facing him is better understood. But at the end of his career Duff and Lady Diana achieved a notable triumph as ambasador to the French government first in Algiers in 1943, and from September 1944 to the end of 1947 in Paris.

It was a sign of his success — and much to their credit — that Attlee and Bevin kept a Churchill "political" appointee in office for two and a-half years after Churchill's defeat. He died on a sea voyage in 1954. He was under 64 but his mode of life did not conduce to longevity. I liked the author's ending:

> There are few whose memories reach back to those gilded Edwardian summers to conjure up the young diplomat who hated work and loved play. But when Diana talks of him the years seem to fall away; whatever might be true of old men old ladies do not forget.

Robert Blake

THIS year's Duff Cooper prize will be presented on Thursday to Ann Thwaite for her biography of Gosse.

Hindsight applied to opticians' company

EYES RIGHT: THE STORY OF DOLLOND & AITCHISON 1750-1985
By Hugh Barty-King. Quiller Press £12.95, 264 pages

THIS entrepreneurial success story of the well-known spectacle firm, which started with an immigrant Huguenot weaver in 1750 and finished up with the huge multinational conglomerate of today, must command respect. In human terms, the achievement may be less reassuring, as we proceed from the inspired amateur, testing his crude lenses by candlelight, through increasingly tough but less talented successors, until, by hard-sale tactics and mergers, a third of our spectacle prescribing and purchases are today controlled by an American tobacco company. But the story has much of interest, even in its later accounts of wheeling and dealing, and of spectacle monopolies. It is agreably written, lively and without excessive piety, by an experienced hand at such commissioned tributes.

The first spectacle lenses, according to Pliny, were produced by the Phoenicians, from the fused glass found under their cooking pots, which had been supported by nitron and, by the middle-ages, there was a fairly regular supply of simple magnifying lenses to assist near-vision in the ageing. In 1465 the first of the spectacle-makers' guilds was set up to corner the trade. After 1600 the itinerant pedlars' trays also carried some concave lenses to help the short-sighted: and in 1690 such a lens had been yoked to a convex lens to produce Zacharias Jensen's first telescope.

This excited the interest of the young John Dollond. His parents had brought him, along with other weavers from Normandy, to settle in Spitalfields, their name suggesting an earlier migration from Holland (d'Hollande). The weaving prospered, so John was able to indulge his hobby of experimenting in optical glasses, and in 1750 he joined his son Peter in a spectacle shop which they established nearby. Here was produced the first of their "divided glass micrometers," with which Captain Cook voyaged to Australia in 1769, enabling him to watch the transit of Venus over the sun, and thereby to calculate our distance from it.

John Dollond then tried using lenses of different density to neutralise the "chromatic aberration" which restricted the value of his new telescopes, and promptly patented the successful lens combinations. Their widespread use in sextants brought even greater prosperity, with a Fellowship of the Royal Society: and the family firm continued to thrive until it was sold by his great-grandson, in 1871.

In 1889 a rival firm had started in Fleet Street under the enterprising James Aitchison, who, by vigorously advertising the "curative effect" of his spectacles, was capturing the market, publishing his best-selling book in 1890 on Eyesight Preserved. Dollands had responded in vain with goggles, designed to promote high-stepping in horses, but by 1919 were reduced to mail-order sales, and had to extend their wares to gramophones (they marketed records under the label "Ludgate") and even parambulators; and by 1927 they were finally taken over by Aitchisons.

In the succeeding years more and more competitors were absorbed, and Irvine Aitchison, the founder's son, had a hoard of lenses ready to satisfy the huge demand for free NHS spectacles in 1946. The £1 charge imposed to stem the consequent drain on the exchequer was counted "a body blow" to the trade, and Aitchison continued the attack when the Crook Committee, and the succeeding 1958 Opticians act, curbed his exuberant advertising.

However, included in this act, was a provision that more than compensated for his loss of advertising—a monopoly for the trade not only in dispensing glasses, but in the sight-test, without which no glasses could be prescribed (this was slipped into the 1958 bill, on the false grounds that wrong glasses could damage eyes). Even the ban on advertising worked to the opticians' advantage, in that, by precluding competitive pricing, the (quite arbitrary) cost of non-NHS spectacles steadily rose.

At this the tide of public complaint, that opticians were prescribing too often and charging too much, became too widespread to ignore. Two "Price Commissions" (1976 and 1979) added their criticism, but in vain. In 1980 a parliamentary motion to permit the sale of reading glasses "over-the-counter" (as happens in all but a few other countries) was withdrawn only when the matter was referred to the Office of Fair Trading, who reported that the prices charged for private spectacles were indeed excessive, and called for freer competition with a lifting of the ban on advertising. As a sequel to the OFT's adverse report, the government broke the first monopoly, on spectacle sales (after a passionate rear-guard action by the optical bodies). The campaign to curb the second monopoly and free the sale of reading glasses continues unabated, and there is hope that this monopoly may finally yield to the European Court later this year.

In 1964 D & A was sold to Welsh Television, then in 1968 to Slater Walker and finally in 1970 was bought entirely by Gallacher Ltd for £10m. Meanwhile their sales continued to thrive, with a steady backing of over a million sight-tests a year—further enhanced in 1981 by the purchase of Theodore Hamblin, our most prestigious spectacle firm, for £4.5m.

Patrick Trevor-Roper

Land of the Red Dragon

THE OXFORD COMPANION TO THE LITERATURE OF WALES
compiled and edited by Meic Stephens. Oxford University Press. £17.50, 682 pages

THE CORPORATE consciousness of the Welsh tends to flamboyance. When I was at a Scottish university, and my whilom countrymen invaded for Murrayfield, it was like the arrival of the players in Hamlet, or of the Crummles troupe in Nicholas Nickleby. It is this sensation of a bustling nation which Meic Stephens's Oxford Companion enshrines. Garlanded with daffodils, leeks, love-spoons and harps; riding in coracles (first described in 1188).

The lists in this book make the Welsh seem like the cast of a Romantic opera — and Wagner went to Wales (some say) to research Parsifal. Personalities in the principality are larger than life: John Dee, the Elizabethan necromancer and polymath; Percy Enderbie, who in Cambria Triumphans (1661) demonstrated the Welsh origins of the Stuarts; Henry Morgan, the pirate; John Harries, a fortune-teller — who phrophesied the day he would die. Remaining in bed to avoid his fate, "he was burned to death when his house caught fire."

Stephens's book also claims as Celts, among others: Matthew Arnold, Beau Nash ("who mysteriously contrived to live a gay life on small means"), Thomas Love Peacock, Livingstone's Stanley, Christopher Smart, Mrs Siddons (born in a Brecknock pub) and Ivor Novello (born David Davies). Yet some Welshmen are not as Welsh as they look. Edward Thomas's idea of the country was hazy. David Jones, the village eccentric of In Parenthesis, was born in Kent, educated in Camberwell — and lived in Notting Hill.

It is not all illustrious theatricality, however. Welsh scwabs are located amidst much sand. There are, for example, several dozen Lewises. Most of my namesakes were clergy who wrote long-forgotten moral pamphlets. Thomas Lewis (1759-1842) "is renowned as the author of one hymn." Hundreds of Davieses, Evanses, Morgans and Joneses are similarly exalted. I have a feeling that Stephens wants to include all west of Chepstow Bridge who ever wielded a quill; he even, a bit cheekily, includes an entry on himself.

Roger Lewis

Jane's ups and downs

JANE RUSSELL: AN AUTOBIOGRAPHY
Sidgwick and Jackson £9.95, 341 pages

THE FILM career of the legendary Jane Russell was patchy and she only felt proud of four of her pictures, she tells us. The publicity stills from *The Outlaws* may have put the hay back into the Hayes Code, but she describes her acting in it as "awful." Her private life was equally chequered. For 25 stormy years she was married to American quarterback Robert Waterfield. Both had affairs and nearly separated more than once before divorcing.

This caused the second of their three adopted children to take a drug overdose and Jane herself to indulge in very heavy drinking. Her second marriage to actor Roger Barrett ended tragically with his death only three months later. Deeply depressed, she took to the bottle and eventually had a nervous breakdown, ending up in a psychiatric ward. At the time she was under contract to Hal Prince to star in Sondheim's *Company*.

Jane Russell's prose, like her life, has all the subtlety of a steam roller. But what she lacks in nuance she makes up for in self-humour and candour.

Valery McConnell

Fiction

Cruise ship companions

THE FISHER KING
by Anthony Powell. Heinemann. £9.95, 256 pages

Powell — detail from a sketch by Osbert Lancaster

IN CASE you have forgotten about the Fisher King here is the entry in Funk and Wagnall's Standard Dictionary of Folklore, Mythology and Legend:

> Fisher King. In Chrétien de Troyes' Perceval and in later Grail stories, the lord of the Grail castle; possessor of the Grail, the bleeding lance, and the silver plate. Wounded by a spear thrust through his thighs, his only solace was in fishing. He can be healed only through the help of the Grail-seeker and when he is healed the waste land which surrounds his castle will become productive again.

Anyone who thought that through writing The Waste Land T. S. Eliot had secured a permanent English language copyright to the legend of the fisher king is in for a shock. Anthony Powell has moved in, stolen the precious diadem and put it in his pocket. In his version the reader has to step aboard the good ship Alecto. Named after one of the furies she is set fair for a cruise around the shores of Britain to stop at places like Hadrian's Wall and the megalithic stone sites on Orkney. The fisher king is on the passenger list.

In other words, you have a great deal of to-ing and fro-ing among a small group of people, effectively cut off from the outside world, stimulated by daily visits to places of immemorial antiquity. Some of these people have known each other before, professionally or socially; others are meeting for the first time. Where better for Powell to work through one of those slow-paced pavanes during which the dancers change partners as allegiances are threatened or wholly undermined? The mood, unvaryingly, is molto adagio: the unfolding patterns intricate and unexpected; the choreographer always in control.

Most of Powell's chosen group are well into middle-age, a retired public servant and his wife, "a Fleet Street notability" (whatever that means), an elderly drunk, an adman, a highly successful historical novelist (clearly the author's representative) who rather improbably possesses "an innate taste for pin-pointing archetypes." All of them drawn with Powell's eye for personal eccentricity. They stand much in awe of one passenger, Saul Henchman, a brilliant, internationally known but severely disabled magazine photographer.

At the outset the novelist passenger dubs the photographer the Fisher King. He was wounded during World War Two (this episode echoes Hemingway rather than Eliot) while crossing the Po in an armoured car, leaving him not only having to rely on crutches, but also sexually impotent. The literary label sticks, or must be made to stick, and from now on the voyage extends across the Jungian ocean of the collective unconscious as well as the seas around these islands.

Before the war the mystery writer Denis Wheatley co-authored a cruise book thriller which came in the form of a dossier with all the clues in little packets which the reader had to examine to form the solution to the crime. I was reminded of that by Powell's do-it-yourself mystery cruise for litterateurs. Allusions and quotations abound.

One example will suffice. The photographer's mistress, 20 years his junior, is called Barberina Rookwood. A ballet dancer by profession she has given up her career for the sake of her liaison with the photographer; her life is barren in more senses than one. She is the waste land under the sovereign sway of the fisher king. The point is rammed home by the concealed reference to Scotland under the Macbeths in her often repeated surname ("Light thickens and the crow Makes wing to the rooky wood.") I hope I have not spoiled your fun. There is plenty more where that came from. Powell is not only a novelist but also a regular reviewer of literary books.

His real theme here—he has touched on it before in the Music of Time—is the power of impotence. In Henchman, his photographer (more than a touch of Hardy's Henchard, incidentally) he gives us a portrait of a man abased by life, wounded by it, bloody but unbowed, who nonetheless succeeds in preserving his creativity, his manhood, his essence. The small world of shipboard life spotlights that power at work and leaving its mark upon other lives. The style sometimes hitting rough water has ironic understated humour that is the Powell hall-mark. Occasionally his indifference to everyday life leads him into small errors like writing camera speed when he means film-speed and Natsopa when he means Sogat '82 but there are none of those false notes when he turns to the inner life, the life of self-possession and of the possession of others.

Anthony Curtis

Big splash in small pond

FREE AGENTS
by Max Apple, Faber, £9.95, 197 pages

IN COUNTRY
by Bobbie Ann Mason. Chatto & Windus, £9.95, 245 pages

DOGWOOD AFTERNOONS
by Kim Chapin. The Bodley Head, £9.95, 249 pages

THE SOUND OF DISTANT CHEERING
by K. M. Peyton. The Bodley Head, £9.95, 224 pages

THE FIRST and most important thing to say about the 20 short stories in Max Apple's Free Agents is that they make one laugh out loud, which is a rare event in a reviewer's life. Not all of them, and not all of the time—he has an offbeat, quirky sense of humour which will not appeal to every taste — but enough of the time to make reviewing him an unexpected pleasure.

His field is America, droll vignettes of American life, one or two with a Jewish setting, others more concerned with small town people in small town situations. Others still which can only be described as bizarre — the internal body organs of the title story, proposing strike action against the body's owner in a demand for free collective bargaining; a clever Japanese-American boy plotting to lease Taiwan to the Walt Disney Corporation; a movie producer raising finance from high school kids, who insist on a teenage star in return. The author's forte is to take familiar ideas and look at them from unfamiliar angles — and he does it very well.

Some of the pieces, it has to be said, are a little difficult to fathom, too diffuse to be entirely successful. The author likes to go for the unexpected, the artful non sequitur, the illogical aside. Some of his ideas come off, others do not. But this is only a quibble. On balance he has written an excellent collection of stories, crisp in style, neatly thought out, full of good things to pick out and savour.

Bobbie Ann Mason's In Country is also about America, a Vietnam novel of a sort, though not obtrusively so. Seventeen-year-old Samantha Hughes is a victim of the fighting, her father having been killed in action before she was born. She grows up in Kentucky, long after the war is over, knowing nothing about it other than what she can glean from her veteran uncle, from television showings of MASH, and from the diary his father kept "in country."

The death of Colonel Blake on television is more real to her than that of her own father. She is a small town girl, an all-American kid, who watches an awful lot of television and consumes an awful lot of junk food — too much actually, the book suffers from a surfeit of repellent gastronomy.

Nicely played, as Vietnam novels go, no bitterness, no polemic, just a calm assessment of the situation from the standpoint of an ordinary teenager in the 1980s. In Country rambles a bit from time to time, but we can forgive the author that in a first novel. She handles the big scenes well, and has already won a Hemingway prize for her earlier work, Shiloh and Other Stories.

Dogwood Afternoons by Kim Chapin is a more or less routine novel about stock-car racing, American again, but written in a racy, hard-boiled prose ideally suited to its subject. The author is a professional sports journalist, and it shows. Give or take the occasional "thusly" or "treaded," he adopts a feisty, high-tech approach which the average Englishman can only admire, even if he sometimes finds himself clutching his brow in search of the meaning. The best Americans nowadays often write in a language which the rest of us only half understand. Take this, for example:

> At the Astrodome, Nolan Ryan is shaving the corners. He's going through the Giants in order. The radio announcer is not even mentioning that by the sixth the Giants haven't had a hit. The Ks mount on the scoreboard. Tonight Nolan passes the Big Train and is now the all-time strikeout king. He's almost as old as I am and he still throws nothing but smoke.

In fact the quotation is from Max Apple, but would serve just as well for Chapin. They are both of them privy to an argot that outsiders can only marvel at.

K. M. Peyton writes in English, thank goodness. She is English. The Sound of Distant Cheering is a novel for adults, though she has devoted most of her career to books for older children. It deals with the trials and tribulations of a down-at-heel racing stable, one trainer, two women of different classes after him, a bed-ridden old bat who keep her hands firmly on the money. The style inclines towards pony clubs and women's magazines, but it is nice enough for all that, although a hard-boiled sports journalist might consider the ending enormously soppy.

Nicholas Best

CRIME

LIVE FLESH
by Ruth Rendell. Hutchinson £9.95 272 pages

AMONG Ruth Rendell's many gifts her sense of visual taste is particularly impressive. She can describe a place — whether a squalid rooming house, a pretentious mock-Elizabethan villa, or a middle-middle class block—not only with unerring accuracy, but also with a keen sense of the personality of those rooms and corridors and gardens.

In Live Flesh the settings are important; they define the inhabitants, the characters. The protagonist here is another of Mrs Rendell's psychopaths, perhaps the most interesting, complete, and — such is the author's mastery — sympathetic that she has created. Though, in the course of the story, crimes are committed, they are not what matters most.

The suspense lies in the complex, usually unpredictable, always convincing relationship between Victor, the criminal, and the outside world, especially a young couple whose lives he enters and disrupts. In every way, a remarkable achievement.

William Weaver

The South Bank

Picking up the GLC's baton

Nicholas Snowman: ambitious plans for Europe's leading complex of musical venues

LAST MONDAY, amid a hubbub of goodbyes and fireworks, the Greater London Council relinquished ownership and control of London's principal complex of concert halls on the South Bank, handing over the keys the following day to its new owner and successor, a new committee, formally constituted as part of the Arts Council, called the South Bank Board.

Since October last year, when the new board gave its first press conference at its temporary offices in Piccadilly, everyone involved with musical life in London has pondered the significance of the change. What and who is the South Bank Board? What will its policy be? What changes, if any, are London concert-goers likely to hear?

It is certainly the case that when the membership of the new Board was announced, the details were greeted with some cynicism. On paper at least, the list of appointments was a little *surprising: a heterogeneous* assortment of 15 dignitaries drawn from the world of arts and business and a handful of more familiar (if not necessarily more reassuring) musical names such as Lorin Maazel, Jessye Norman and Andrew Lloyd Webber.

The doubt most frequently voiced was whether such a group — even assembled under the experienced executive chairmanship of Ronald Grierson (vice-chairman of GEC, and chairman for 15 years of the Philharmonia Trust) — could ever provide the focus and the expertise, and more important whether it could actually spare the time necessary to guide and direct effectively Europe's most important complex of musical venues.

Some of the doubts have proved to be unfounded—for the new board itself is essentially not a managerial board, nor was ever intended to be, and in practice its functions will always be more diplomatic and advisory than executive. The real executive roles will be performed by two joint general directors of the South Bank Centre concerned respectively with administration and artistic direction, and by an elaborate new staff structure which they head.

The new post of General Director Administration has been taken by Richard Pulford, who is the former Deputy Secretary-General of the Arts Council; and the post of General *Director Arts is taken by* Nicholas Snowman—who comes directly from Pierre Boulez's IRCAM in Paris, where he has *been Artistic Director since* 1972.

When I talked with Nicholas Snowman recently he was at pains from the start to emphasise how much the new SBB owes to the achievements and commitment of the GLC.

"It is important to remember that what we are doing is not merely continuing the good *work of the GLC but also im*proving upon it, and replacing their somewhat ad hoc administrative structure with a brand new and properly worked out structure—which the South Bank has never had before.

"These are the main changes on the South Bank that we shall be attempting to make. Starting with the Festival Hall—it's quite simple: we want to introduce the idea of a season. In 1988-89 there will be a real, planned season for the first time—orchestras all have their current dates booked until then. The system at the moment is that the orchestras are entirely the slaves of their various conductors and soloists. So they essentially book the halls according to the dates they have available for their conductors and soloists, and worry about filling in such minor details as *programmes later.* And the programmes which are then eventually filled in are largely dictated by what each great virtuoso happens to be playing elsewhere that week in Berlin, or Paris or somewhere—or alternatively on what recording contract each conductor happens to have up his sleeve.

"What we are trying very hard to do for 1988-89 is to give out no dates at all. Under the new system, priority will be given to new themes, cycles, to things which actually interest us on the South Bank—that means a positive, discriminatory point of view. What we like will get the best dates.

"One of our biggest projects for the 1988-89 season is a Brahms-Schoenberg Festival. It involves orchestras from all over Europe: a touring section with festivals in Vienna, Berlin and Paris—and in London on the South Bank. This scheme *means that each city does its* own thing in its own way—and we want to do it in a big way.

"Then I want to do a major Bartok affair with George Solti, presenting all of the orchestral music. And I am toying with the idea of a "Beethoven Plus" series. Perhaps that's a bad title, but the idea is that at the same time as presenting all the *familiar mainstream* Beethoven works, we would also explore the lesser-known Beethoven—*"The Mount of Olives,"* for example—and just as important, some of the quantity of remarkable music written by Beethoven's contemporaries, Cherubini, Hummel, Reicha.

"And then, I hope, in November-December 1988, there will be the Great International Event. What we're moving towards is the idea of a grand contemporary event which will embrace not only the South Bank but also the Hayward Gallery and the National Film Theatre and will present all manner of contemporary music *concerts organised* around a group of important figures (in 1988, probably Stockhausen, Messiaen and Steve Rich).

"There are also great possibilities in the idea of establishing much closer contacts with other major European festivals. It's ridiculous that, when you have an important new work premiered at one of the festivals, ready rehearsed and ready to go, as often as not it's then just dropped, or taken on tour around continental Europe maybe, but rarely to London.

"At the end of the 1988/89 *season, probably in the summer* of 1989, we are also flirting with the idea of a big Anglo-French festival: it would set out to trace the developments between the two countries: a big historical affair, like the *"Exposition* Paris-Moscou," in the best Centre Pompidou tradition, combining exhibitions, audio-visuals, wine-tastings, literature, concerts and recitals, plays, films."

Did Snowman feel confident about financing so many ambitious projects?

"Well, most of these schemes, of course, as regards the British elements, will require much closer collaboration than has previously existed between the South Bank and the participating orchestras and ensembles. We hope in many instances to lend our own framework and patronage to the sort of event that would have happened anyway, so that existing funding is *used to its best effect.*

"Sponsorship is going to be necessary for many things. The Brahms-Schoenberg Festival, for example, is obviously going to need major sponsorship, and that is being actively sought at the moment by the four cities, Berlin, Vienna, Paris and London. That's very much a European affair.

"In all of these schemes we also want to signal a major shift of attention from the Festival Hall to the other two halls. The fact they are usually called "the other halls" is significant. I hope, when we have got into our stride, that they will no longer be called "other," but will have distinctive personalities of their own. And another major project that we will also be trying to get under way will be to build into the South Bank at long last the electronic pro*duction studios which London* so badly needs.

"Above all, the Elizabeth Hall and the Purcell Room will change their character. We are investigating the idea that the Elizabeth Hall in particular would become a music-theatre platform. I hate the phrase "music-theatre," but I can't think of a better one: call it "opera without the 19th century" perhaps. The Elizabeth Hall, it seems to me, with a few not very expensive physical changes, could become a hall where it would be possible to *mount performance of Monte*verdi or Birtwistle—in addition to the recitals and chamber concerts which it has always held.

"In the Purcell Room I would like to try and build up the sort of young, experimental, fringe audience that now frequents the Almeida and the ICA—a cabaret sort of place that could also become an im*portant forum of avant-garde* experiment, and include much else, jazz concerts too, why not? And I would like to maintain the important "debut recital" aspect.

"Our job will be to coordinate and to bring these elements together, but I must repeat that it is not my job in any sense to function as an "artistic *director." I may have my ideas* and I will put them on the table, but with no more authority than anyone else. The South Bank in this sense is a facility, not an authority: and it's important people realise this in view of my past role at IRCAM. The two jobs are very different."

Dominic Gill

James Agate

Vain, glorious ego

JAMES AGATE was the boisterous, obsessive, infuriat*ing and thumpingly readable* dramatic critic of The Sunday Times for 23 years until his death in 1947 when he was succeeded by Harold Hobson. James Harding's "Agate" (Methuen, £12.95) is the first biography of a man whose autobiography—the nine volumes of "Ego" — is one of the most important, revealing and downright entertaining documents of this century. Professor Harding fillets the Egos and adds details of Agate's early life as a cotton merchant, Lambeth shop-keeper and cub reporter on the Manchester Guardian in the days of Scott, Cardus and C. E. Montague.

Second-hand theatre books are a hobby of mine, and a modest collection received an unexpected boost last year when a neighbour, a retired theatrical dresser, asked me to help him clear out the flat of a recently deceased "Uncle George." Uncle George was George Felton Mathew, one of Agate's closest friends and some time Country Life journalist. Mathew, to whom Dr Harding's book is dedicated, was strict monitor and editorial ally in Agate's tumultuously productive journalistic output (estimated by Agate himself at more than 7m words), one of his closest secretarial minions.

I have taken charge of Mathew's Agate library—many calf-bound first editions and second impressions, many per*sonally dedicated by Hamish* Hamilton to the author and annotated by Agate and Mathew, most of the errata in Agate's own diminutive but always legible ink scrawl. In *respect of this haul,* I regard myself as temporary custodian; the collection is probably safer with me than with Dr Strong and his vulnerable basement offices at the V & A.

All drama critics recognise the merits and weaknesses of Agate's career. He was, first and foremost, a peerless historian of great acting, having seen and enthused about Réjane, Irving, Marie Tempest and Bernhardt. Like Tynan, who succeeded him as a vivid chronicler of thespian art, Agate barged his way backstage *to consort and hobnob with the* stars.

He was a performer himself, a recognisable personality in a loud-checked overcoat, monocle, hard black hat and silver-topped cane. Once he hit London in his 40s he made up for lost time, as Harding says, by marking out a small domain and ruling it ruthlessly: Shaftesbury Avenue, the Savage Club (he was blackballed by the Garrick), the Café Royal and the Ivy. He *would occasionally pop over to* Paris for the Comédie Française and a night in the male brothel frequented by Marcel Proust.

He made a great noise in print and on radio. At his peak, in 1935, he claimed to have seen that year between 100 and 150 plays, 50 films, to have glanced at 500 books, to have "more or less" read 200 and to have written over half a million words, 100,000 of them for the Sunday Times and a similar amount for "Ego" (on which he lavished four hours a day over 15 years).

The stamina and scale of his performances as a journalist are staggering. But an awful lot was done for him by his loyal and finally discarded amanuensis and protegé Alan "Jock" Dent. And many of his book reviews in the Daily Express, printed amid capering, bald and dwarfish likenesses of the critic, were written by Mathew, or *Dent or, in later years,* the quixotic, ill-mannered, failed concert pianist Leo Pavia whom Agate picked up in a Victoria pub in 1923 and tolerated right to the end.

Although he was the highest paid journalist of his day, Agate spent much of his time *on the run from creditors and* landlords. He settled for longest periods in his "Villa Volpone" in Swiss Cottage and, in the last years, in a mansion flat in Grape Street. He would surface from an uneven sleep at 10 or 11 in the morning and begin dictating to "Jock" or whoever straightaway. At about 2pm he would charge off for lunch at the Ivy, sloshing down a pint of Bollinger with lobster and half a pheasant. In the *afternoon he would "read four* books" and write a 1,200 word article. He would then stalk off to the theatre, probably leave before the end, dine at the Café Royal and drop in for a game of bridge at the Savage Club. *He would sit up late, worrying,* talking and drinking and go to sleep at dawn in the same shirt he had worn all day.

So it went on. Journalism does not accommodate such *characters these days.* However pompous, oafish and vainglorious he was, he gave dignity to the critical function.

His hobbies were Hackney ponies — he exhibited at many of the leading shows — cricket, Zola, golf, champagne and guardsmen. Dr Harding is explicit on the subject of Agate's recondite sexual tastes *but the information does not* exactly bear on the author's conclusion that Agate just missed being the Hazlitt of his day. He was a showman and a bruiser, a great lusty belch of fresh air with a gift for self-promotion.

Friends included Hugh Walpole, Clifford Bax, Seymour Hicks and a journalist on the Daily Graphic, Peter Page, famed for the shortest theatre review ever — the play *"Oh, yes!"* was greeted with the riposte "Oh, No!" (not a patch, incidentally, on the next shortest, Walter Kerr's notice of John van Druten's *"I Am a Camera"* — "Me no Leica"), as well as the more anonymous acolytes. Gruff and demanding of character, there is plenty of evidence that Agate was consistently generous and thoughtful. My neighbour, for instance, was often whisked down to whichever cottage Agate might be renting at Thorpe Bay or Brighton in order to recuperate from a chest cold.

James Agate

Professor Harding recounts how Agate nearly lost his job when spied emerging trouserless from a male brothel in the Grays Inn Road. And Beverly Nichols threatened to bribe him over his private life after receiving a damning notice in the Sunday Times followed by a generous one in The Country Life (where Agate wrote under the pseudonnym of "George Warrington") for a 1931 play *about pacifism.*

Fortunately, Agate survived the ruinous potential of such minor peccadilloes, and thank Heaven he did. Just as he *measured himself against Haz*litt and Montague, so critics today measure themselves, tentatively and despairingly, against Agate and Tynan. There are no other contenders. *Arnold Bennett considered him* "fundamentally unintelligent" but said he seemed to understand acting. This is the point. And a reviewer of *Ego* in the Times Literary Supplement described him as "a Philistine with the conscience and equipment of an intellectual."

Agate himself should be allowed the last word: "I don't know very much, but what I do know I know better than anybody, and I don't want to argue about it. I know what I think about an actor or an actress, and *I am not interested in what* anybody else thinks. My mind is not a bed to be made and remade." That kind of superior bleating we only hear these days from either Bernard Levin or *lesser opinionated bores like* George Gale or Derek Jameson. Agate's monstrous ego was, paradoxically, dedicated to the finally selfless task of glorifying an ephemeral art form about which he felt passionately.

Michael Coveney

Video

The fall of man

PHYSICAL comedy, as we know, is the art of falling flat on one's face without falling flat on one's face. How to preserve that subtle dimension of wit and timing even as one dispenses pies, pratfalls and buffoonery?

The late John Belushi had the secret. At least he did in his *television heyday, before he was* whisked off first to Hollywood, appearing in giant clinkers like *The Blues Brothers* and *1941,* and then to an early death from drug overdose. The tubby man's answer to James Dean or Valentino, he was mourned by millions who had guffawed at him in TV's weekly comedy show "Saturday Night Live," *which also spawned* Chevy Chase, Bill Murray and Dan Akroyd.

The Best of John Belushi (Warners) gives us the very best of his small-screen work. Here is JB as Vito Coreone, pouring out his family troubles to a group therapy class (with perfect husky adenoids à la Brando). Here is JB as an over*eating Elizabeth Taylor,* an undereating Ludwig Van Beethoven — "Ludwig, you must eat!" screams his wife as the deaf maestro loses himself in another soundless piano sonata —and as Captain Kirk trying to keep command of the Starship Enterprise while the studio moguls come in to dismantle the set and the series.

Best of all, here is Belushi running his long-famed "Samurai Delicatessen": the shop where a request for sliced pastrami on rye can result in a piercing scream and the descent of sword on comestibles, or *where a modest query about too* much fat in a sandwich can lead straight to hara-kiri.

Live US comedy also comes to video with stage shows featuring Joan Rivers and Gilda Radnor. But live, alas, is not quite the word for either *Joan Rivers and Friends Salute Heidi Abramowitz* or *Gilda Live* (both Warners). *Rivers is dismayingly unfunny* in her all-star Caesar's Palace tribute to her fictional alter ego, the "tramp of the century." And Gilda Radnor, as she screams through routines on everything from pop singers to nymphomaniac schoolgirls, must be an acquired taste.

But please keep these comedy tapes coming, video companies. For there are lost gems of American live entertainment. (How about more *Saturday Night Live?*) And video's iffy picture quality is less of a hardship in off-the-wall laughter shows than in the pictorially crafted world of feature films.

Even here, though, some companies are learning fast. The Video Collection, culling the classics, realises that there is less of an aesthetic loss in black-and-white movies than in colour. So vintage Hollywood films are now rolling off their presses, including *The Magnificent Ambersons,* Hitchcock's *Spellbound* and *Notorious* and Katherine Hepburn and Cary Grant having pet leopard trouble in Howard Hawk's glorious comedy *Bringing Up Baby.* These cassettes are available at the startling price of £6.99.

Riding up fast on the inside track are two other bargain-price companies, Stablecar and Channel 5. The first offers a bevy of Jacques Tati and Roman Polanski films, the second movie classics like *Citizen Kane* and *Fort Apache.* Once again £6.99 is the bottom price.

There are, of course, video addicts who do not wish to mainline on yesterday's masterpieces, nor on live mirth from the USA. These one can point squarely in the direction of *A View To a Kill* (Warners), the latest wide-screen, all-colour Bond romp in which our suave *superspy* tackles computer sabotage and Grace Jones; *Desperately Seeking Susan* (Orion) Susan Seidelman's delicious frolic of lost heroines and scampering non-sequitures, starring Rosanna Arquette and Madonna; and Stephen Frears's *My Beautiful Launderette* (Virgin), which won this year's Standard Best Film award, has a sparkling *script* by Hanif Kureishi and is the wittiest film about modern Britain yet produced in modern Britain.

Nigel Andrews

Domesday

Norman king in pig shock-horror-drama

DOMESDAY LAST week in Winchester; Domesday this week at the Public Record Office in London. Is there no escape from the world's most famous *tax return?* It was the native English around 1170, who dubbed what had been known as the King's Book, Domesday, after the Day of Judgement, because its writ touched every aspect of their lives. *It has* dominated English history ever since it was composed nine centuries ago this year, with judges referring to its tablets of *parchment* as recently as 1960.

The Domesday exhibition at the Public Record Office in Chancery Lane (sponsored by the Daily Telegraph) knocks for six the exhibition at the Great Hall in Winchester (sponsored by the Sunday Times). For a start it has the book itself—or rather the Book divided by five.

In an act of great presumption, and to the horror of conservationists, the two Domesday volumes, Great Domesday, which covers most of England, and Little Domesday, which contains the information for Essex, Suffolk and Norfolk the meatier raw data before it was refined down for the definitive account) has been split up and rebound, Great Domesday into two volumes, and Little into three, one for each county.

Perhaps in acknowledgement of this historical rape the centrepiece of the show is not displayed in the planned elaborate Gothic case illustrated in the excellent catalogue but under plain glass. It becomes the least impressive feature of a most entertaining and instruc*tive exhibition, one that* might permanently transform the stodgy image of the Public Record Office.

If the actual text is underplayed there are compensatory attractions. For gawpers there are animated figures of King William giving his justification for the great census of his property, and a monk of Peterborough responding with the Anglo-Saxon shock-horror-story that a King should so demean himself to be concerned with how many pigs there were in *his new* domain. Although pallid these talking heads, by Living Images, have a considerable impact.

Pigs surface again in another intriguing *feature of the exhibi*tion, one that reveals the advances that computer technology has made in recent years in digging hard facts from the 2m words *in Domesday.* Some of the information just confuses things, like data which suggests that certain counties have lots of swineherds but few pigs *while others* are strong on pigs but short on swineherds — obviously the collators were not strictly controlled. But, at the press of a button, the computer can show the spread of slaves — many in the west of England, few in the East; the size of land holdings; or the location of mills.

*The computer can even over*turn historical research. The Victorian scholar J. H. Round built his reputation on the thesis that Domesday was *basically a tax fixing instrument,* with the "geld" (tax) set as an arbitrary imposition. Dr Snooks and his computer at Flinders University, South Australia, have shown that the level of *geld was* linked to the prosperity of the manor.

Such scholarly breakthroughs are the *raison d'être* of the Public Record Office, but they are *incidental* to this exhibition: it should be visited for its populist images. There are few opportunities these days to see parchment being prepared but a room is set aside for craftsmen to manufacture the raw material (from the backs of a thousand sheep) for the Domesday scribe to work on.

The importance of Domesday to the Victorians, who romanticised the Anglo-Saxons, is depicted in a magic lantern show featuring anti-Norman slides, while the key role of the Exchequer, the home of Domesday until the 18th century, is graphically depicted.

There are tablaux re-creating life in England in 1086, sug*gesting that,* while it was warmer (awash with vineyards), the amount of cultivated land was already 80 per cent of the total in 1914; there are geneological scrolls promoting the families that trace their blood line back to 1066 and beyond, most notably the Lords Sudeley of Toddington, and the Shirleys of Ettington Park in Warwick*shire; who actually own the* land they held *in* 1086: there is a close-up look at Lincoln, tracing its decline and relative rise since Domesday; there is *the odd relic.*

But because this exhibition is being held at the Public Record Office there is a wealth of documentary evidence from other manuscripts which *assert* that Domesday was not an isolated census but the culmination of a concerted effort by William and his successors to get to grips with their conquest. County surveys; *family surveys;* town surveys; the back up material to Domesday makes this a must for scholars as well as a patriotic excursion for school children.

Antony Thorncroft

Radio

Desert island bliss

IMAGINE yourself washed up on that infamous desert island, but instead of records you have a year's supply of any one radio programme to keep you company. Which would you most relish and most dread discovering under the coconut fronds?

Six Continents on Radio 3 would give me castaway blues. *Angus McDermid's patronising* and smug selection from overseas broadcasts proves to us that all foreigners are fools or knaves. A quaint tale of corruption in Georgia follows one on inefficiency in Sofia; how can one take those Commies seriously? This curious propaganda is still more irritating when, as this week, it bisects a worthwhile concert. Lutoslawski had just put down the baton after a first performance, and there were McDermid's smug tones.

However, I would be happy on the island with Radio 4's excellent and addictive *Medicine Now.* Geoff Watts, the presenter, does a great job of leading interviewees to make all clear for the layman. The programme's tone is optimistic: like British Rail's slogan, medical research is getting there. This week was a thought-provoking foray into medical ethics.

It must have been the weather over Easter, but I was looking forward to a morbid opera on Tuesday, with a broadcast from West Germany of Hans Pfitzner's *Der arme Heinrich.* The second in the occasional series of German operas after Wagner, it has surely the nastiest plot put to music.

The knight, Heinrich, has a wasting sickness which doctors say only the blood sacrifice of an innocent girl can cure. But three hours proved too *much,* even for the one-upmanship value Pfitzner offered for the crush-bar. Broadcasting these rarities is a good thing, but I could have done with more discussion of Pfitzner's music. Then I might have stuck it out to the blood-bath.

An architect's nightmare must be a commission to create a drawingroom "like the interior of a very unhealthy dog." *But this was Sir Hugh* Casson's task at Monkton House, as we heard on Radio 4's tantalisingly short *A Dream in Three Dimensions.* Fifteen minutes did not permit Richard Cork to make a convincing case for saving Monkton for the nation, but Sir Hugh's deadpan comments on the eccentric owner, Edward James, and Salvador Dali were *splendid.*

Meanwhile, as James was having his wife's footprints expensively woven into the carpet, Mary Sweeney and her 10 siblings were scrubbing the boards at home. *My Life Till Now,* on Radio 4, was Mrs Sweeney's unsentimental and evocative reminiscences of growing up in Liverpool in the Thirties and Forties.

As oral history, the programme worked well for having an effacing interviewer, and Mrs Sweeney was both humourous and trenchant. Particularly memorable was her scene with a housing officer: the mother with two small kids was told not to come back until she had produced *four* more.

Patricia Morison

SOLUTION to Chess No. 614

1 NxR, RxR; 2 R-K8! wins by the double threat 3 PxR or 3 N-K6 ch, PxN; 4 Q-B8 ch, K-R1; 5 QxN mate. The game went 1 RxR? QxR; 2 R-QB1, R-K1! when *Black* avoids material loss (3 RxQ? R-K8 mate).

XUI

WEEKEND FT

SOME OBSERVERS say that Mr Roy Hattersley has had a quiet Budget season. I'm not surprised. I suspect that, like me, he's been suffering from Owl Angst.*

The FA Cup

Love is blind as an Owl

The Shadow Chancellor and I have this in common: open our hearts and you will see ingraved inside of them: Sheffield Wednesday.

We shall feel better by five o'clock this afternoon, once Everton have shown how preposterous were any ideas we may have had about reaching the Cup Final. But then, no one who has supported Wednesday for half a century seriously expects them to win today's semi-final. Wednesday's children are not just full of woe; they thrive on everlasting pessimism.

Ours is the "nearly, but not quite" team, and we are sustained by myth, memory and distant twilights.

They aren't a fashionable side, Wednesday, except as gracious hosts for other people's semi-finals; not an Arsenal or a Manchester United or a Liverpool — not even a Preston North End, who at least won the Cup as recently as 1938.

Wednesday haven't won it since May 1935; the year the FT started its 30-share Index, the month Lawrence of Arabia was killed in a motor-cycle accident. True, they reached the Final in 1966; but just ask the Shadow Chancellor what happened that day. Two goals up with half an hour to go, they surrendered three — their opponents were Everton that day, too, when Mr Hattersley, once the youngest member of Sheffield City Council, was still a newish MP.

A few years earlier, Wednesday had amassed enough points to have won the First Division championship in any normal season: except that it was an abnormal season, when Tottenham were out of sight by Christmas and went on to do the double.

Go back a little further, and you find Wednesday flickering between Divisions One and Two no fewer than seven times in 10 years — our beloved nearly-but-not-quite team.

They last won the championship of the First Division in the successive years of 1929 and 1930; and there's a tiny echo of those halcyon days in J. B. Priestley's contemporeaous novel, The Good Companions. On page 490 of my Heinemann early edition, the author has Jess Oakroyd meet "the famous Jock Campbell, now left back and captain of the recently formed Triangle United AFC, and formerly of Glasgow Celtic, Sheffield Wednesday and Bruddersford United."

Mr Priestley had divined the Wednesday ability to produce excellent left-backs — Blair, Blenkinsop, Catlin, Swift, Curtis, Megson. . . . Shadows and spectres from a time when a small boy might see his heroes crossing the street, walking between market stalls, resting elbows on a milk-bar counter. . . . O my Froggatt and my Woodhead long ago!

Then there was Derek Dooley, who didn't know his own strength, scored goals from impossible situations (47 times in his first full season) and quickly became a phenomenon. It was too good to last, though. There was a collision during a match at Preston, and a leg had to be amputated. It was my first winter as a reporter on the local paper, and I can still see the street bills: "Dooley—doctors fight to save his life."

Even so, that was the real Wednesday; not the new boys in stripes who, according to a picture of his office, are pinned to the wall above the Shadow Chancelor's filing cabinet at Westminster. The past is a safe country.

I have cuttings from that Cup-winning weekend in 1935. The team look like gangsters as they pose on the station in their long overcoats and trilbies. There's a plywood cut-out of the Cup on the front of the train that brings them home. Crowds surround their coach in Fargate, Pinstone Street and Barkers Pool.

The BBC sound archives have commentary on the last four minutes of the game: Wednesday scoring twice to beat West Bromwich Albion 4-2. Behind the cut-glass words of the commentator is another voice, intoning numbers like a bingo-caller. The idea was that you listened in with the Radio Times open at a plan of a football pitch divided into numbered squares, so that you could follow the course of the ball.

We real Wednesdayites are full of such snippets of history, because that was when it all happened for us—back there, before they took away the trams, built a cantilever stand, erected floodlights: when players wore baggy shorts and padded their shins, had their hair cut in the style of benign uncles.

How then did we catch this infection? It takes different people in different ways. Mr Hattersley, in his book, Goodbye to Yorkshire, tells how his father took him to his first match "on a sunlit autumn afternoon in 1944," because dad happened to support the visiting team. But "Sheffield Wednesday have been my team ever since," says Roy.

I, on the other hand, had the distinction of being chosen. In the yard of my council school at the age of seven, a ceaseless game of football was waged as several hundred boys pursued a tennis-ball from end to end.

Those who kicked down were (if I may be pardoned for using such an expression) Sheffield United; those who kicked up were Wednesday. For a long time I watched timidly from the sideline, until one day a larger, older boy seized me by the collar and spoke in these terms:

"Nah then, kid, tha'll play for Wednesday, wayn't tha!"

I was deeply flattered, and since that hour have known little peace of mind.

In some ways, the worst thing that could happen this afternoon is that we should beat Everton. For it would mean a further month's uncertainty and lost sleep as we await the inevitable anti-climax at Wembley. Nearly, but not quite.

I would be there, of course; and I would be surprised if the Shadow Chancellor wasn't. We would put our hands to our mouths and give the traditional Wednesday bellow:

"Tread softly, lads, because you tread on our dreams!"

A I right, Roy?

*Ornothological note: The original Wednesday ground was at Owlerton, a short distance from the present Hillsborough stadium. Hence the nickname, the Owls.

Martin Davies

The Grand National

Finding the first of the favoured few

NOBODY CAN complain this National Hunt season, in spite of over 100 race meetings lost in the frost. It was lit up on Boxing Day by Wayward Lad's return to form to win the King George VI Steeplechase for the third time in four years.

Three months later, Dawn Run's triumph over Wayward Lad in the last few hundred yards of the Gold Cup race made this year's Cheltenham Festival a story for good men to teach their sons: to be on the course was wonderful with the Irish literally throwing their hats in the air.

At Aintree on Thursday, 48 hours before the Grand National, the great rematch between the two wonder horses took place—four runners, Dawn Run at 8-11 favourite, Wayward Lad at 13-8, with the other two nowhere in the betting. Dawn Run fell at the first fence, Wayward Lad ran second to Beau Ranger, a 40-1 shot, and the bookies developed an instant Caribbean tan.

This is a cautionary tale to bring us to today's Grand National where the theory is that anything can win that can jump Becher's twice. Foinavon, they say, did pretty well to win at 100-1 when nearly everything else fell. And last year's winner, Last Suspect at 50-1, has brought back the Outsider Theory.

It is expected that the bookies will take £25m from the public today. William Hill's expect a special dividend—the first-time punters will be able to watch the race in the company's 900 new-style betting shops with TV and refreshments (non-alcoholic, of course).

People who bet on horse's names are having quite a flutter on Gale Warning (50-1).

Hello Dandy and Neil Doughty

But it still looks like a National where the First of the Few Theory will triumph—most winners in the history of the race have come from the first few horses in the ante-post betting. Out of the first seven, only Door Latch (10-1) and West Tip (8-1) have yet to complete the course.

Hello Dandy (18-1), Corbière winners and Greasepaint (20-1) years. Mr Snugfit, the favourite (6-1), jumped the last fence in front last year only to be pipped at the post.

Two trainers will be looking for a record—four National winners in a training career to equal the late Fred Rimell. Tim Forster notched up his three with Well To Do (1972), Ben Nevis (1980) and Last Suspect last year. Today his hopes are on Last Suspect, but he is also running an outsider, Port Askaig.

Ginger McCain has got the three more easily—from a hat-trick of wins by Red Rum. Today he saddles Imperial Black (sixth last year) and an outsider, Dudie.

So how do we bet? I am putting my money on Hello Dandy, the 1984 winner. He fell at the first fence last year, but I think that with Neil Doughty on board he can be the successful first-sixer.

Alan Forrest

Cricket

Sit back and enjoy it

LOOKING FOR consolation as English cricket hopes sink lower into the Caribbean, I note that in 1897 Pelham Warner took a touring team to the US and suffered a four-wicket defeat by Philadelphia. The England team included the great Jessop, Leveson-Gower, and a galaxy of county stars.

Cold comfort, you might say, but is it only that? As Gower's men crash, we are told that English cricket has taken a sudden slump into nothingness, as if we have always been top of the world. Actually, English cricket has always had its ups and downs — and that's what makes a ball game.

It was back in 1882 that the Australians first trounced us in England and started an interesting little competition known as the Ashes because the Sporting Times wrote a lugubrious obituary on the death of English cricket. Since then, a lot has happened.

Perhaps our most successful tour was in 1932 when Douglas Jardine's bodyline chaps terrorised the Antipodes by doing pretty well what the West Indian bowlers are now doing to us. But remember the shudders when we sent our first post-war team to Australia, under Norman Yardley. They were reunited with Bradman, introduced to Messrs Lindwall, Miller, Tosack and McCool, and lost by three games to nil.

Excuses abounded then — after all, we had just fought a long war, we'd been "playing for keeps" for years. The fact fact that Austrlia had fought the same war was conveniently forgotten.

So it looks as if English cricket was never what it was, which is not to be unmoved by what is happening in the West Indies. We are in a terrible state, but we won't cure it by Botham-bashing and Gower-gouging.

The West Indians are something special. It is highly unlikely they will topple from their pedestal in the near future. The young fast bowlers waiting in the wings will ensure that. So what has happended to English cricket?

For a fan like me, delighted at the events which have given the average English professional a pretty good living, something has gone from our cricket. Fire, aggression, passion and discipline don't seem to matter any more. The big money is in the limited overs game and it doesn't produce real Test stars.

Captaincy seems a lost art — one mourns the great Yorkshire sides under the two Brians, Sellers and Close, Warwickshire under Bob Wyatt, Surrey under Stuart Surridge. Nowadays, a captain who ran his team with a Sellers-type discipline would probably be faced with a mass walk-out.

The recent Charlie Palmer report on the future of the English game was a collection of cliches. It bemoaned the lack of international-standard bowlers; the disappearance of disciplined batsmen able to graft long and hard against a West Indies-type attack; and the decline in wicketkeeping. But it didn't give many convincing proposals for improvement — which is not surprising, since cricket isn't played round a conference table.

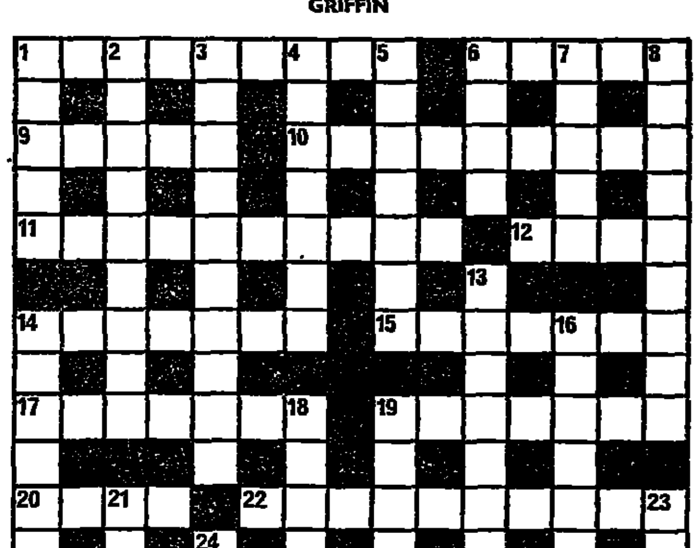
So, I don't think we can expect much of a rapid improvement. The best thing to do is to lock up our patriotism in the club cupboard and enjoy the glorious cricket played by the West Indies when they next visit us.

It will be an interesting summer though. We shall entertain New Zealand, fresh from their triumph against Australia. If they are as good as they seem, there may be more obituaries written on English cricket.

Alan Forrest

F.T. CROSSWORD PUZZLE No. 5,989

GRIFFIN



Prizes of £10 each for the first five correct solutions opened. Solutions, to be received by next Thursday, marked Crossword on the envelope, to The Financial Times, 10 Cannon Street, London EC4P 4BY. Solution next Saturday.

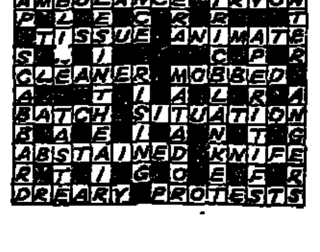
ACROSS

1 Delivered too early (9)
6 Must move piano to platform used by speakers (5)
9 It's true; Mr French is behind that field (5)
10 In Poe's version, time for spying (9)
11 Small amount of stuff in pipe (10)
12 After 3½ days on the outskirts of Liverpool it's advisable! (4)
14 A few words to say about someone who's late (7)
15 Tempted to put one in a decent assortment (7)
17 Person with frilly lace cuff (7)
19 This morning the girl is to go round the island (7)
20 Runs through Cairo with nothing on, sweetheart! (4)
22 Betrayed throng milling around in the fortress (10)
25 Covering reverse on a car (9)
26 It swallows dinner noiselessly, being lazy (5)
27 Scored a boundary to get 500 (5)
28 The redhead the chaps carried outside is distressed (9)

DOWN

1 Shares piano with star's replacement (5)
2 Issuing "The Mysterious A-Team" in a back number (9)
3 Made incorrectly, it can't turn into entrance (10)
4 Discover a Parisian with heart trouble (7)
5 Cost of putting swans in a river (7)
6 Observe drunkard swallowing apple core (4)
7 America, for example, backs employment (5)
8 Prevents a number being included in the introductions (9)
13 Deposit on floor of P.O.W. camp, an unusual item (10)
14 In the meal then prepared, many get cheese (9)
16 Continued to accept politician with unique constituent (9)
18 Len, no learner, drove in the races as a competitor (7)
19 Pocket game (7)
21 Brought back a pound can of tongue (5)
23 The theologian had some food brought in, being old-fashioned (5)
24 Dropped mum a key to the front door (4)

Solution to Puzzle No. 5,983



TELEVISION AND RADIO

SATURDAY

† Indicates programme in black and white

BBC 1

8.30 am Wait Till Your Father Gets Home. 8.55 Bananaman. 9.00 Saturday Superstore. 12.15-5.05 pm Grandstand, featuring 3.20 The Grand National plus 2.00 (Captain Morgan Aintree Chase) and 2.30 (Sandeman Aintree Hurdle); Football (Focus at 12.30, half-times at 3.45, and 4.40 Final Score); Cricket: Fourth Test, West Indies v England; Irish Rally at 4.05.

5.05 News. 5.15 Regional Programmes. 5.20 The Muppet Show. 5.45 Jim'll Fix It. 6.20 The Dukes of Hazzard. 7.05 Every Second Counts. 7.40 The Little and Large Show. 8.15 The Collectors. 9.05 Cagney and Lacey. 9.50 News and Sport. 10.05 Match of the Day Special. 11.10 Film: "Trinity is Still My Name."

BBC 2

†1.55 pm Film: "The Man." (Marlon Brando's film debut). 3.15 Film: "The Teahouse of the August Moon," starring Marlon Brando. 5.15 The Paper Chase. 6.05 Karen Blixen in Africa. 7.00 Newsview. 7.40 Pot Black 86. 8.20 Film: "Islands in the Stream" (George C. Scott stars). 10.05 Film: "Counting Sheep" (with English subtitles). †11.20-12.00 Jazz 625: The Alex Welsh Band, is joined by Henry "Red" Allen.

LONDON

6.55 am TV-am Breakfast Programme. 9.25 No 73. 11.00 BMX Beat. 11.30 Secret Valley. 12.00 News. 12.05 pm Saint and Greavsie. 12.30 Wrestling. 1.20 Athletics. 2.15 "Airport" starring Burt Lancaster. Dean Martin, Jean Seberg and Jacqueline Bisset. 4.45 Results Service.

5.00 News. 5.05 Connections. 5.35 Robin of Sherwood. 6.30 Child's Play. 7.00 Bobby Davro on the Box. 7.30 The Price is Right. 8.30 Tarby and Friends. 9.15 CATS Eyes. 10.15 News and Sport. 10.30 The Late Clive James. 11.15 LWT News Headlines followed by Movie Premiere: "SOB" starring Julie Andrews, Richard Mulligan, William Holden and Robert Vaughan. 1.20 am Night Thoughts.

CHANNEL 4

1.05 pm Within the Coral Wall. †2.00 "Vice Versa" (Roger Livesey stars). †3.55 "Time to Kill" (Lloyd Nolan stars with Heather Angel). 5.05 Brookside Omnibus. 6.00 Right to Reply. 6.30 Tales of Kerry. 7.00 News Summary followed by Seven Days. 7.30 The Perfect Lady. 8.30 Held in Trust.

9.00 Royalty. 10.00 Hill Street Blues. †11.00 "House of Frankenstein" starring Boris Karloff. †12.20 am "The Mummy's Ghost" starring Lon Chaney.

S4C WALES

†1.35 pm Feature Film: "Old Heidelberg" (Ramon Navaro stars with Norma Shearer). 3.40 The Said It With Music. 5.30 Patterns of Life. 6.30 Club Mix. 7.00 Hwrlibwrll. 7.30 Newyddion. 7.45 Stumiau. 8.15 Hen Blant Bach. 9.00 Y maes chwarae. 10.05 Brothers. †10.35 Feature Film: "Georgy Girl" starring Lynn Redgrave.

Brookside, C4, 5.05 pm

IBA Regions as London except at the following times:

ANGLIA

IBA Regions as London except at the following times:

11.30 am The Flying Kiwi. 5.05 pm Blockbusters. 12.45 am At The End of the Day.

BORDER

11.30 am Fireball XL5. 5.05 pm Dreams.

CENTRAL

1.30 am Captain Scarlet and the Mysterons. 5.05 pm Mr and Mrs.

CHANNEL

11.30 am Terrahawks. 11.59 Today's Weather. 5.05 pm Blockbusters. 12.45 After Midnight: Amazulu.

GRAMPIAN

1.30 am The Smurfs. 5.05 pm Blockbusters. 12.45 am Reflections.

GRANADA

1.30 am Terrahawks. 5.05 pm Knight Rider. 12.40 am The Roots of Rock 'n' Roll.

HTV WEST

††11.30 am Fireball XL5. 11.58 HTV News. 5.05 pm Off the Rack.

SCOTTISH

11.30 am The Glen Michael Cavalcade. 5.05 pm Blockbusters. 12.45 am Late Call.

TSW

9.25 am Fisheries News. 11.00 Gus Honeybun's Magic Birthdays. 11.03 Freeze Frame. 11.57 TSW News. 5.05 pm Newsport. 5.07 Blockbusters. 12.45 am Postscript.

TVS

11.30 am Terrahawks. 11.57 TVS Weather. 5.05 pm Blockbusters. 12.45 am After Midnight: Amazulu. 1.20 am Company.

TYNE TEES

11.30 am Short Story Theatre. 11.55 Morning Glory. 2.15 "Northwest Passage." 4.30 Cartoon Time. 5.05 Diff'rent Strokes. 12.45 am Post's Corner.

ULSTER

11.30 am The Harlem Globetrotters. 11.58 Lunchtime News. 4.55 pm Sports Results. 5.03 Ulster News. 5.05 Candid Camera. 10.27 Ulster News. 12.40 am News at Bedtime.

YORKSHIRE

11.30 am. The Protectors.

BBC RADIO 2

(S) Stereo on VHF

8.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm The News Huddlines. 1.30 Aintree Sport On 2—The Seagram Grand National and the FA Cup; Cricket: 4th Test. Port of Spain; and at 5.00 Sports Report. 6.00 Folk On 2. 7.0 Pop Score. 7.30 A Night At The Opera. 10.05 Martin Kelner (S). 12.05 am Living Legends (S). 1.00 Bill Rennells presents Nightride (S). 3.00-4.00 am A Little Night Music (S).

BBC RADIO 3

7.00 am News. 7.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.35 BBC Symphony Orchestra (S). 1.00 pm News. 1.05 Early Music Network (S). 2.00 Vaughan Williams In His Time (S). 4.00 Itzhak Perlman and Bruno Canino (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Voice of the Whale by George Crumb, performed by Lontano (S). 7.00 Scottish National Orchestra: Rossini, Mozart (Piano Concerto in F, K459, with Peter Serkin), Mussorgsky (Pictures) (S). 8.30 Hortensia Blue (short story). 8.45 "The Lodger," opera by Phyllis Tate sung in a mono performance conducted by Sir Charles Groves with a cast including Owen Brannigan, Johanna Peters and Joseph [illegible] (Lodger). (9.55-10.00 Interval Reading). 11.00 Piano Trios (S). 11.57-12.00 News.

Medium wave as above except: 3.25-5.35 pm. Cricket: Fourth Test. West Indies v England.

BBC RADIO 4

7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective with Rosemary Hartill. 7.50 Down To Earth. 7.55 Weather; Travel. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 Breakaway including 8.57 Weather; Travel. 9.00 News. 9.50 News Stand. 10.05 Talking Politics. 10.30 Loose Ends. 11.30 From Our Own Correspondent. 12.00 News; Money Box. 12.27 pm Take Me To Your Reader (S). 12.55 Weather. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News; The Afternoon Play (S). 3.00 News: International Assignment. 3.30 The Saturday Feature. 4.15 Not Another Diet Programme. 4.45 The Fosdyke Saga II (S). 5.00 The Living World (S). 5.25 Week Ending. 5.50 Shipping Forecast. 5.55 Weather; Travel. 6.00 News; Sports Round-up. 6.25 Stop The Week with Robert Robinson. 7.00 Saturday-Night Theatre (S). 9.00 Baker's Dozen (S). 9.30 Thriller! 9.58 Weather. 10.00 News. 10.15 Evening Service (S). 10.30 The Mischief Makers. 11.00 Science Now. 11.30 Bodgers, Banks and Sparkes (S). 12.00-12.15 am News.

SUNDAY

† Indicates programme in black and white

BBC 1

8.55 am Play School. 9.15 Knock Knock. 9.30 This is the Day. 10.00 Asian Magazine. 10.30 Switch on to English. 10.55 Recovery. 11.20 Tele-Journal. 11.45 With a Little Help From the Chip. 12.10 pm Sorry, Mate, I Didn't See You! 12.35 Farming. 12.58 Weather News for farmers. 1.00 This Week Next Week. 2.00 Eastenders.

3.00 Gregory Peck: A Portrait in Films. 3.50 Film: "Captain Horatio Hornblower," starring Gregory Peck. 5.45 Antiques Roadshow. 6.25 St Botolph's Crypt Centre. 6.30 News. 6.40 Songs of Praise. 7.15 Hancock's Half Hour. 7.40 A.D.—Anno Domini. 8.20 Mastermind. 9.50 News. 10.05 The Rock Gospel Show. 10.40 Geoffrey Smith's World of Flowers. 11.05 Rhode. 11.30 The Sky at Night.

BBC 2

2.00 pm Rugby Special. 3.00 "The Young Girls of Rochefort," starring Catherine Deneuve, Francois Dorleac and Danielle Darrieux. 5.00 Bach From Edinburgh. 5.30 The Million Pound Bird Book. 6.30 The Money Programme. 7.15 Nature. 7.50 The Royal Ballet in "Romeo and Juliet," with Alessandra Ferri as Juliet and Wayne Eagling as Romeo. 10.05-11.40 Film: Screen Two: "Double Image."

LONDON

6.55 am TV-am Breakfast Programme. 9.25 Wake Up London. 9.35 Woody and Friends. 9.45 Roger Ramjet. 10.00 Morning Worship. 11.00 Getting on. 11.30 Once a Thief . . ? 12.00 Weekend World. 1.00 pm Police 5. 1.15 The Smurfs. 1.30 Small Wonder. 2.00 LWT News Headlines, followed by Encounter.

2.30 The Big Match. 3.30 Hart to Hart. 4.30 Seal Morning. 5.00 Albion Market. 5.30 Benson. 6.00 Bullseye. 6.30 News. 6.40 Highway. 7.15 Catchphrase. 7.45 Murder, Mystery, Suspense. 9.45 News. 10.00 Spitting Image. 10.30 The South Bank Show. 11.30 LWT News Headlines, followed by Mapp & Lucia. 12.25 am Night Thoughts.

CHANNEL 4

1.00 pm Irish Angle presents Hands. 1.30 The Making of Britain. †2.00 "The Firefly" (Jeanette MacDonald stars with Allan Jones). 4.20 The Little Birds. 5.00 News Summary, followed by Chanel and Her World. 6.15 Curling: The Silver Broom World Championship from Toronto. 7.15 Slimbridge—the Sanctuary on the Severn. 8.15 Our Bomb—the Secret Story. †10.15 The Twilight Zone. 11.15 Curling.

S4C WALES

2.10 pm Gardeners' Calendar. 2.40 Union World. 13.10 Feature Film: "The Spoilers," starring John Wayne, Randolf Scott and Marlene Dietrich. 4.45 Iesu Ddoe a Heddiw. 5.15 David Goldblatt: In Black and White. 6.15 Curling: The Silver Broom World Championship. 7.15 Dari Dag. 7.20 Newyddion. 7.30 Cais Am Gân. 8.00 Mwynhau'r Pethe. 8.30 Dechrau Canu, Dechrau Canmol. 9.00 Almanac. 9.35 Piu Chwithig. 10.05 Cynhadledd '86. 10.15 The Perfect Lady. 11.15 Curling.

IBA Regions as London except at the following times:

ANGLIA

9.30 am First Sunday. 1.00 pm The Beverly Hillbillies. 1.25 Weather Trends. 1.30 Farming Diary. 3.30 Chips. 4.30 The Smurfs. 5.00 Seal Morning. 5.30 Now You See It. 6.00 Albion Market. 12.30 Guardian of the Shrine.

BORDER

9.25 am Gardening Time. 9.55 Border Diary. 1.00 pm Terrahawks. 1.30 Farming Outlook. 2.00 Encounter. 3.30 Twenty ears On. 4.30 Survival. 5.00 Seal Morning. 5.30 Look Who's Talking. 6.00 Albion Market. 11.30 Jazz Club.

CENTRAL

9.25 am Wattoo, Wattoo. 9.30 Terrahawks. 1.00 pm Here and Now. 1.30 Gardening Time. 3.30 The Weekend Matinee: "The Assassination Bureau," starring Oliver Reed, Diana Rigg, Telly Savalas and Curt Jurgens. 5.30 Seal Morning. 6.00 Albion Market.

CHANNEL

9.25 am Today's Weather. 9.28 Starting Point. 9.30 Les Francais Chez Vous. 1.00 pm Gardens for All. 1.30 Farm Focus. 3.30 Scarecrow and Mrs King. 4.25 Puffin's Pla(i)ce. 6.00 Now You See It.

GRAMPIAN

9.25 am Max the 2000-Year-Old Mouse. 9.35 Sesame Street. †10.30 Fireball XL5. 1.00 pm Farming Outlook. 1.30 The Spice of Life. 2.30 The Fall Guy. 3.30 Seal Morning. 4.00 Now You See It. 4.30 Scotsport. 6.00 Albion Market. 11.30 Tales from the Darkside. 12.00 Reflections.

GRANADA

9.25 am Max the 2000-Year-Old Mouse. 9.35 Indian Legends of Canada. 11.00 Once a Thief . . . ? 11.25 Aap Kaa Hak. 11.30 A Woman's Place. 1.00 pm Small Wonder. 1.25 Cartoon Bugs Bunny. 1.30 Simon and Simon. 3.30 The Guinness Book of Records. 4.30 Encounter. 5.00 Seal Morning. 5.30 Now You See It. 6.00 Albion Market.

HTV WEST

9.25 am. Max the 2,000-Year-Old Mouse. 10.35 Fireball XL5. 1.00 pm Gardening Time. 1.30 West Country Farming followed by Weather for Farmers. 3.30 The Sunday Matinee: "Bad Day at Black Rock." 5.00 Seal Morning. 5.30 Now You See It. 6.00 Albion Market. 6.35 HTV News.

HTV Wales—As HTV West except: 1.00-1.30 pm Pool. 11.30-12.30 am Crown Green Bowls.

SCOTTISH

9.25 am Foo Foo. 9.35 Encounter. 10.00 Sesame Street. 1.00 pm Farming Outlook. 1.30 Terrahawks. 2.00 Songs of Celebration. 2.30 The Fall Guy. 3.25 Cartoon. 3.30 Seal Morning. 4.00 Now You See It. 4.30 Scotsport. 6.00 Albion Market. 12.30 am Late Call.

TSW

9.25 am Getting On and Getting On Plus. 11.00 Once a Thief . . . ? 11.25 Look and See. 11.30 The South West Week. 1.00 pm Gardens for All. 1.30 Farming News. 3.30 BMX Beat. 4.00 Short Story Theatre. 4.30 Seal Morning. 5.00 Gus Honeybun's Magic Birthdays. 5.03 Falcon Crest. 6.00 Albion Market. 11.30 The South West Week. 12.00 Postscript Postbag.

TVS

9.25 am Action Line. 9.35 Cartoon Compilation. 1.00 pm Agenda. 1.30 Farm Focus. 3.30 Scarecrow and Mrs King. 4.25 TVS News. 5.30 Diff'rent Strokes. 6.00 Now You See It. 12.30 am Company.

TYNE TEES

9.25 am Morning Glory. 9.35 Gather Your Dreams. 11.25 Sunday Lookaround. 1.00 pm Farming Outlook. 1.30 Survival. 3.30 "Union Station." 5.00 Seal Morning. 5.30 Small Wonder. 6.00 Albion Market. 11.30 With Good Reason. 12.00 Epilogue.

ULSTER

9.40 am Advice with Anne Hailes. 12.58 pm Lunchtime News. 1.00 Grampian Sheepdog Trials. 1.28 Farming Ulster. 1.30 Gardening Time. 3.30 Feature Film—"Circle Of Danger." 5.00 Seal Morning. 5.30 The Lesson is Ulster: "When Terrorists Attack." 6.00 Albion Market. 6.35 Ulster News. 9.57 Ulster News. 11.30 Sports Results. 11.35 David Frost presents the Guinness Book of Records. 12.25 am News at Bedtime.

YORKSHIRE

9.25 am. Getting On. 11.00 Once a Thief . . . ? 1.00 pm Man in a Suitcase. 3.30 Scarecrow and Mrs King. 5.00 Benson. 5.30 Mr. and Mrs. 6.00 Albion Market. 12.30 am Five Minutes.

BBC RADIO 2

(S) Stereo on VHF

7.30 am Roger Royle says Good Morning Sunday (S). 9.05 Melodies for You (S). 11.00 Desmond Carrington with your Radio 2 All-Time Greats (S). 1.00 pm John Dunn presents Two's Best (S). 2.00 Benny Green (S). 3.00 Alan Dell with Sounds Easy (S). 4.00 Jazz Classics In Stereo (S)—Red Nichols and Miff Mole). 4.30 Sing Something Simple (S). 5.00 Charlie Chester with your Sunday Soapbox. 7.00 Castle's Corner. 7.30 The Gentle Touch with Ruby Turner and her band. 8.00 Marilyn Hill-Smith Sings with the Langham Orchestra. 8.30 Sunday Half-hour. 9.00 Your Hundred Best Tunes. 10.05 Songs from the Shows. 10.30 Jazz Score. 11.00 Sounds of Jazz with Peter Clayton (stereo from midnight). 1.00 am Bill Rennells presents Nightride (S). 3.00-4.00 A Little Night Music (S).

BBC RADIO 3

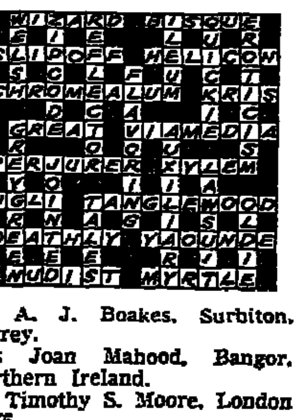
7.00 am News. 7.05 Schubert and his contemporaries (S). 9.00 News. 9.05 Your Concert Choice (S). 10.30 Music Weekly (S). 11.15 Alberni String Quartet (S). 12.10 pm City of Birmingham Symphony Orchestra conducted by Simon Rattle, part 1: Berlioz, Martin, Mozart (S). 1.00 Collectors' Items. 1.05 Concert part 2: Ravel (Daphnis et Chloe) (S). 2.10 Bartok and Prokofiev piano recital by Roumiana Athanassova (S). 2.40 Mozart and Gounod (S). 3.25 Lydia Mordkovitch solo violin recital (S). 4.00 English Song (S). 4.45 "Mahabharata" (feature on Peter Brook's production of the Indian epic—the longest book in the world—mounted last year in a stone quarry near Avignon). 5.20 Malcolm Singer piano music played by Christodoulos Georgiades. 5.35 John Joubert (S). 6.00 Ethel Smyth (S). 7.10 Bach's Sixth Cello Suite (S). 7.40 Stravinsky (S). 8.15 "Powers Passing," play by Steve May (S). 9.00 Philharmonia Orchestra conducted by Riccardo Muti. Deferred relay from the Royal Festival Hall, London, part 1: Haydn (Symphony No 48 and Cello Concerto in D with Yo Yo Ma). 9.55 Appealing to the People. 10.15 Concert, part 2: Dvorák's 5th Symphony (S). 11.00 Liszt (S). 11.57-12.00 News.

Medium wave, as above except: 3.25-5.35 pm Cricket: Fourth Test: West Indies v England.

BBC RADIO 4

8.00 am News. 8.10 Sunday Papers. 8.15 Sunday. 8.50 Roy Kinnear talks for the Week's Good Cause, about a scheme helping unemployed young people to set up their own businesses. 8.55 Weather; Travel. 9.00 News. 9.10 Sunday Papers. 9.15 Letter from America by Alistair Cooke. 9.30 Morning Service. 10.15 The Archers (Omnibus edition). 11.15 Pick of the Week (S). 12.15 pm Desert Island Discs (S). 12.55 Weather. 1.00 The World This Weekend. 1.55 Shipping Forecast. 2.00 News; Gardeners' Question Time. 2.30 The Afternoon Play (S). 4.00 News; The Food Programme. 4.30 The Natural History Programme. 5.00 News. 5.05 Down Your Way visits Mold, Clwyd. 5.50 Shipping Forecast. 5.55 Weather. 6.00 News. 6.15 Weekend Woman's Hour. 7.00 Travel: Lord of Misrule (S). 7.30 Venemous Corruption and the Evil Eye. 8.00 Bookshelf (S). 8.30 The Monarchy in Britain. 9.00 News; The Evening Play: "The Great Feast," by Mannu Bhandari (S). 9.58 Weather. 10.00 News. 10.15 The Sunday Feature: A World Of Their Own. 11.00 Before the Ending of the Day (S). 11.15 The Lucky Country. 12.00-12.15 am News.

SOLUTION AND WINNERS OF PUZZLE NO. 5,984



Dr A. J. Boakes, Surbiton, Surrey.
Mrs Joan Mahood, Bangor, Northern Ireland.
Mr Timothy S. Moore, London NW5.
Mr H. A. Rydings, Sutton Coldfield, West Midlands.
Mr P. A. Tilley, Solihull, West Midlands.

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